



Joint Welsh Government, Irish Government  
and Southern and Eastern Regional Assembly

## Consultation Document

# Ireland Wales Cooperation Programme 2014-2020

Date of issue: 5 June 2014

Action required: Responses by 31 July 2014



Ireland's EU Structural and Investment  
Funds Programmes 2014-2020.

Co-funded by the Irish Government  
and the European Union.

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## Overview

This consultation invites comments on the strategy and priorities for the 2014-2020 Ireland Wales Cooperation Programme. It has been developed following engagement with partners and stakeholders in both Wales and Ireland. The consultation document contains a proposed programme strategy, priority axes, investment priorities and types of actions. These proposals have been developed with a clear focus on growth and jobs and where the most value can be gained from cooperating on a cross-border basis.

## How to respond

Response forms (answering the consultation questions) can be emailed or posted to the address below by 31 July 2014

## Further information and related documents

Large print, Braille and alternate language versions of this document are available on request.

The consultation documents can be accessed from the Welsh Government's website and the WEFO Website at:  
[www.wales.gov.uk/consultations](http://www.wales.gov.uk/consultations)  
[www.wefo.wales.gov.uk](http://www.wefo.wales.gov.uk)  
[www.per.gov.ie](http://www.per.gov.ie)  
[www.seregassembly.ie](http://www.seregassembly.ie)

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## Data Protection

**How the views and information you give us will be used.**

Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about, together with our colleagues in the Department of Public Expenditure & Reform and the Southern & Eastern Regional Assembly in Ireland. It may also be seen by other Welsh Government staff to help them plan future consultations.

The Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. This helps to show that the consultation was carried out properly. If you do not want your name or address published, please tell us this in writing when you send your response. We will then blank them out.

Names or addresses we blank out might still get published later, though we do not think this would happen very often. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 allow the public to ask to see information held by many public bodies, including the Welsh Government. This includes information which has not been published. However, the law also allows us to withhold information in some circumstances. If anyone asks to see information we have withheld, we will have to decide whether to release it or not. If someone has asked for their name and address not to be published, that is an important fact we would take into account. However, there might sometimes be important reasons why we would have to reveal someone's name and address, even though they have asked for them not to be published. We would get in touch with the person and ask their views before we finally decided to reveal the information.

## Joint Ministerial Foreword



We greatly value and are firmly committed to building upon the very close and fruitful partnership which exists between our two nations. We view this co-operation programme as an excellent vehicle to strengthen an already strong partnership enabling us to find joint solutions to the common challenges which we face together across our maritime border.

The new 2014-2020 Ireland Wales Cooperation programme provides a sound basis for working together and sharing best practice in addressing the common economic, environmental and social challenges we face. Alongside these challenges, we will look to use the programme to maximise common opportunities relating to innovation, climate change, and the utilisation of natural and cultural resources

The ERDF value of the programme is likely to be around €80m (around £66m). This will result in a total programme value of at least €90m (around £75m), which is a significant increase on the 2007-2013 total programme value of €70m. This underlines the importance that both Governments attach to increasing collaboration across both sides of the Irish Sea and will allow us to build on the considerable achievements of the current programme 2007–2013, which has supported 41 collaborative projects backed with €49.5 m (around £41m) from the European Regional Development Fund. Wales will lead on the management and implementation of the new programme working in close partnership with the Irish Authorities to develop new projects and partnerships that benefit the economies of both countries.

A central principle in helping to shape this programme has been the extensive partnership engagement across the public, third and private sectors over the last two years in both Wales and Ireland. Examples include, the reflection exercise in early 2012, the 'Setting the Scene' event in July 2013, WEFO Annual Event workshops in November 2013, and the continued involvement of the Welsh Government ETC work stream which culminated in a joint workshop between Welsh and Irish stakeholders in Dublin last April. This public consultation is the next step in the on-going engagement process and we welcome and look forward to your views on this document. This will help to inform the Ireland

Wales Cooperation Programme which we will be submitting later this year for approval by the European Commission.



**Jane Hutt AM**

**Minister for Finance**



**Brendan Howlin T.D**

**Minister for Public Expenditure and Reform**

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**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 24 (1) CPR AND ARTICLE 7(2)(A) ETC REGULATION**

**Strategy for the cooperation programme's contribution to the Union strategy for smart, sustainable and inclusive growth and to the achievement of economic, social and territorial cohesion**

**Introduction**

1. This section defines the strategy of the Ireland Wales 2014-2020 cooperation programme. A full Socio Economic Analysis has been undertaken to identify needs, challenges and opportunities across the Programme area. This has been subject to ex-ante evaluation and represents a robust evidence base upon which this strategy is developed. This will be published with the programme documents.
2. The Programme Area has a population of approximately 4 million people across ten NUTS III regions. These are Dublin, Mid-East, South East and South West in Ireland and the Isle of Anglesey, Gwynedd, Conwy & Denbighshire and Ceredigion, Pembrokeshire & Carmarthenshire Swansea and Flintshire & Wrexham in Wales. Due to changes in local government structures in Ireland, North Tipperary County Council and South Tipperary County Council will merge which may result in the whole county being included within South East NUTS III region and therefore becoming part of the Programme area.. 70% of the total population for the programme area is based in Ireland and 30% in Wales; the population difference is largely due to the inclusion of the Dublin region where over half of the Irish population of the programme area resides.
3. The spatial area of the programme in Wales is recognised as a less developed region by the European Commission. The geography, social and economic make-up and the recession of 200/09 combine to create a challenging condition in which to stimulate economic growth. As such it qualifies for additional support under the European Union's European Structural and Investment Funds (ESIF) programme to promote economic convergence with the more prosperous regions of the EU. However, structural funds are not sufficient to transform the region's performance.
4. The fortunes of Ireland have also been complicated by extreme challenges due to a severe recession and fiscal crisis since 2008. The Irish Government sought financial assistance from the EU/IMF in 2010 to restore domestic and external stability in the economy. This is in stark contrast to the national

growth in the years preceding the recession. Several challenges face the economy in the programme area. Not least of these is to regain the losses in output and employment caused by the recession of 2008/2009. Moreover, there are structural issues that continue to shape economic outcomes in the programme Area.

5. This section defines the strategy of the IW cooperation programme, based on a synthesis of the European framework, lessons learned from the 2007-2013 programme and the needs and challenges of the programme area.

## **The (European) Framework**

6. The European framework consists of the Europe 2020 strategy, the Territorial Agenda 2020, the Common Strategic Framework, other European programmes, policies and strategies and the country specific recommendations developed by the Commission for both the United Kingdom and Ireland to assist with the development of the Partnership Agreements and programmes for the period 2014-2020.
7. The overall strategy of the European Union, the Europe 2020 strategy, is about delivering smart, sustainable and inclusive growth. The strategy aims for social and economic cohesion through effective investments in eleven thematic objectives.
8. Besides economic and social cohesion, territorial cohesion plays an important role in EU policy. The Territorial Agenda 2020 (TA2020) defines six territorial priorities.<sup>1</sup> Furthermore, the TA2020 highlights that actions at a cross-border level have a 'pivotal role to play in the implementation of the territorial priorities of the TA2020', as well as the importance of maritime activities to territorial cohesion. This is of particular significance given the maritime nature of the border between Ireland and Wales.
9. To increase the coherence between the structural funds (ERDF, ESIF, CF, EAFRD and EMFF) the European Commission developed a Common Strategic Framework (CSF). The aim of the CSF is to improve coordination and secure the more targeted use of the EU's ESIF programmes. The CSF encourages integration by setting out how the structural funds can work together.
10. Apart from better integration between the structural funds, the IW programme should be complementary to the thematic programme for research and innovation (Horizon 2020). Horizon 2020 consists of three pillars, namely 'excellent science', 'industrial leadership' and 'societal challenges'. The

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<sup>1</sup> These are: promoting polycentric and balanced territorial development; encouraging integrated development; territorial integration in cross-border and transnational functional regions; ensuring global competitiveness of the regions based on strong local economies; improving territorial connectivity for individuals, communities and enterprises; and managing and connecting ecological, landscape and cultural values of regions.

specific societal challenges most relevant for the IW programme are: food security, sustainable agriculture and forestry, **marine and maritime and inland water research, and the Bio economy; Climate action, environment, resource efficiency** and raw materials; Europe in a changing world - **inclusive, innovative** and reflective societies.

11. Additionally, several European policy papers have been published which are relevant for the future IW cooperation programme. These are a policy paper on 'Regional policy contributing to smart growth in Europe 2020' (published in 2010); and the EU strategy on adaptation to climate change (adopted by the European Commission in April 2013); It is important for the IW cooperation programme to be aligned to these given the challenges the region faces in regard to research and innovation and the vulnerability of the programme area to the impacts of climate change.
12. The 'Maritime strategy for the Atlantic Area' (adopted in 2011) and the subsequent 'Action Plan for a Maritime Strategy for the Atlantic Area' (published in May 2013) are both significant for the IW cooperation programme given the prominence of the Irish Sea within the programme area. The Action Plan considers responses to the challenges of delivering growth, reducing the carbon footprint, sustainable use of the sea's natural resources, responding effectively to threats and emergencies and implementing an "ecosystem" management approach in Atlantic waters. It contains four overarching priorities:
  - 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.
13. The Atlantic Strategy and the Action Plan focus on the Atlantic area as a whole, some of which is outside the scope of the programme area. Nonetheless, for the IW cooperation programme, alignments have been made to the priorities which are most relevant to the identified needs and challenges of the Irish Sea and wider Programme area.

#### *Country Specific Recommendations*

14. In addition the European Commission issued specific European Territorial Cooperation (ETC) priorities for both the United Kingdom and Ireland in their respective 2012 country specific position papers on the development of the Partnership Agreements and programmes for the period 2014-2020. Specific recommendations have not been made for Wales in this paper. However, the recommendations for the UK are relevant for Wales to varying degrees. These recommendations are meant for all ETC programmes in which the Member States participate; so not all of these priorities can or will be dealt with by the IW cooperation programme.
15. The Commission identified similar ETC priorities for both countries, such as research and innovation, the use and protection of shared environmental



resources and the potential of maritime borders. Attention is given to fostering innovation through results-oriented projects and the sharing of knowledge and best practice between business, research and higher education institutions through clusters and smart connections. This links to a specific focus on developing eco-innovation projects under both green and blue growth potential including the promotion of renewable energy, energy efficiency and environmental protection

16. The Commission has recommended specific possibilities for both countries as island nations. ETC can be used to contribute 'to the leveraging of the economic potential of the maritime border areas by bringing about cooperation synergies'. A comprehensive observation of the ocean environment is a priority area for both countries; the maritime dimension to the cross-border area means that the IW cooperation programme is well-placed to contribute to this

### **National Framework**

17. The Welsh chapter of the UK Partnership Agreement and the Irish Partnership Agreement set out the national framework with regard to the smart, sustainable and inclusive growth priorities and challenges identified for the Welsh and Irish regional programmes. The joint socio-economic analysis further expands upon those areas which have been identified as specific shared cross-border challenges. These include increasing innovation, adaptation to Climate Change and the sustainable use of cultural and natural resources and heritage. There are a number of national policies which relate directly to the Ireland Wales cooperation programme and these include:

- Irish Government's 'Research, Technological Development and Innovation Policy'
- The Welsh Government's 'Science for Wales' and 'Innovation Wales' strategies
- The Irish Government's 'National Climate Change Adaptation Framework'
- The Welsh Government's 'Climate Change Strategy for Wales'
- Irish Government's 'Delivering Green Growth (2012)'
- The Welsh Government's 'Sustaining a Living Wales' Green Paper
- Irish Government's 'Harnessing our Ocean Wealth: An Integrated Marine Plan for Ireland (2012)'
- UK and Irish Government's 'Evaluating the Value of the Economic Relationship between the UK and Ireland (June 2013)'

18. The Ireland Wales Cooperation Programme will seek to align itself to national policies and to achieve a strategic fit where these intersect with the identified cross-border needs and challenges. This document has been

developed in consultation with policy colleagues in both Wales and Ireland to ensure that this is achieved.

### **Lessons from the 2007-2013 Cooperation Programme**

19. The 2007-2013 cooperation programme had two priorities each containing two themes:

Priority 1: Knowledge, Innovation and Skills for Growth

- Theme 1: Innovation and Competitiveness
- Theme 2: Skills for Competitiveness & Employment Integration

Priority 2: Climate Change and Sustainable Regeneration

- Theme 1: Climate Change and Sustainable Development
- Theme 2: Sustainable Regeneration of Communities

20. The bullet points below outline some of the main informal findings from the managing bodies within the Southern and Eastern Regional Assembly and WEFO in regard to thematic activity in 2007-2013.

- The following types of thematic areas are considered to have been particularly successful under the 2007-2013 cooperation programme:
  - Projects which focus on the marine environment have in the main delivered effectively: these projects generally had clear aims and objectives, the partners were like-minded and understood each other within the context of their scientific expertise;
  - Projects which focused on support for a specific business-type or sector: generally have a clear focus on a particular target group and tailored their activity to what they wanted to achieve helping to produce more tangible results within the project time frame;
  - Projects which have an environmental remit (not necessarily marine-related) but with a focus on community engagement and empowerment have had a visible impact;
  - Projects with a focus on innovation and SME support were more successful than those with a specific training/skills focus;
  - Projects which focussed on community regeneration from a jobs and growth perspective were more successful than those which purely focussed on community development;
  - The innovation and Competitiveness theme has been particularly successful in terms of outputs and results;
  - Brokering activities have been prevalent - beneficiaries collaborating innovatively to meet a common regional challenge. Time bound collaboration, with effective management and

apportionment of tasks has been effective with the product of the project easier to visualise.

21. A number of other sources will be used to inform drafting of the Co-operation programme. These will include the findings of the 2011 Mid-term Evaluation and the Welsh Government's scoping study on all ETC programmes, including the 2007-13 IW Programme.

### **IW Cooperation Programme Vision Statement**

'To provide the framework for organisations in the cross-border area to actively co-operate to address challenges and shared priorities of common interest on both sides of the Irish Sea thereby contributing and adding value to economic and sustainable development priorities of Ireland and Wales.'

22. This will be achieved by utilising the talents, skills, experiences and expertise within the Irish Sea region.

### **Challenges for the Ireland-Wales Cooperation Programme**

23. The programme managing bodies have completed a joint socio-economic analysis and SWOT analysis of the programme area. This has been used as the basis for identifying the programme area's needs and challenges. The strategy for the IW cooperation programme will focus on these areas, and, in particular, those in which cross-border cooperation can provide the most added value.
24. The following paragraphs outline the key challenges identified. The aim is to clearly identify what these challenges are and the specific contribution cross-border cooperation can make to meeting these.

#### *Challenge 1: Utilising the potential of the Irish Sea*

25. The border between Ireland and Wales is a maritime one and as such the Irish Sea – which both divides and joins Wales and Ireland – plays an important role within the programme area. The Irish Sea provides opportunities to deliver economic growth and jobs through a number of sectors including – but not limited to – tourism, the fisheries industry, renewable energy and maritime science and technology. Maritime science and technology and renewable energy also have a key role to play in driving forward and promoting innovation – particularly eco-innovation.
26. The programme area has a rich marine ecosystem with a diverse range of species and habitats located in the Irish Sea and along the coasts. These eco-systems and the biodiversity they foster are increasingly under threat through both the impacts of climate change and the unsustainable use of

the sea. These need to be enhanced and preserved to ensure their use and enjoyment by future generations

27. The marine environment has the potential to contribute significantly to the economy of the programme area through more than just tourism. Marine energy production also offers opportunities to contribute to targets for the production of clean energy. There is currently some private investment in marine energy production; however, more investment is needed to demonstrate the commercial viability of the emerging technology solutions to tackle infrastructural constraints and undertake larger scale tests to ensure the economic benefits are realised in the programme area. Whilst the IW Programme's budget will not support this large scale activity, there is still value in supporting cross-border pilot and research activities. Which can feed into wider national and European environmental and economic targets.
28. However, attempts to drive jobs and growth through harnessing the potential of the Irish Sea must be done in a sustainable manner whilst also ensuring the protection and security of the marine and coastal environment.

*Specific Cross-border needs:*

- Need to seek a common way forward on the protection of the coastal and marine environment for future enjoyment whilst balancing environmental protection and economic benefit;
- Need to take forward joint opportunities for blue growth provided by the Irish Sea including tourism, fisheries and maritime science and technology;
- Need to progress the opportunities presented by the Irish Sea for renewable energy research and production;
- Need to take forward the opportunities for eco-innovation provided by the Irish Sea;
- Need to find common ways to support the integrated sustainable development and regeneration of coastal communities in the programme area

*Challenge 2: Improving Knowledge flow*

29. Increasing and streamlining the flow of knowledge and expertise between key stakeholders is the first challenge in stimulating innovation in the programme area. The SWOT analysis shows the programme area contains a number of HEIs – on both sides of the Irish Sea – producing high quality research. However, to reinforce innovation and increase the competitiveness of the programme area, a critical mass still needs to be created to facilitate the flow of knowledge amongst stakeholders – including HEIs and businesses – and promote relationships between knowledge and innovation clusters within the programme area. This flow

of knowledge and relationship building is key to the creation of research and innovation projects which include participants from both sides of the Irish sea from research institutions, the public, private and third sectors.

30. This challenge fits with a 2013 joint evaluation published by the Irish and British Governments which explores the opportunities for future economic collaboration between the two countries.<sup>2</sup> This is discussed in more detail to the Joint Socio-economic analysis.

31. Given the maritime nature of the border between Ireland and Wales, there are also shared challenges in utilising the potential of this to explore environmental and marine innovation.

*Specific Cross-border development needs:*

- Need to stimulate cross-border cooperation between companies, research institutions, HEIs, governments and social enterprises to develop improved connections and relationships;
- Need to test and develop new products, processes and services in order to combat shared societal and environmental challenges – including challenges related to blue growth;
- Need to strengthen smart specialisation and ensure linkage to smart specialisation strategies on both sides of the Irish Sea;
- Need to connect regional innovation clusters at a cross-border level in order to create a critical mass for R&D and innovation, skills, funding, the sharing of ideas and entrepreneurial activity;
- Need to stimulate engagement across all sectors around social and eco-innovation particularly for SMEs

*Challenge 3 : Improving SMEs innovative capabilities*

32. Across Europe as a whole SMEs make up 99% of all business and the Ireland Wales programme area is no exception to this.<sup>3</sup> Small and Medium sized Enterprises (SMEs) are essential to the success of the economy in both Ireland and Wales.<sup>4</sup> Representing over 99% of total active enterprises in the Programme area, they are the engines of economic growth and the principle drivers for new employment and have a key role to play in fostering innovation. However, there are relatively low levels of spend on R&D within this vital sector

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<sup>2</sup> Evaluating the Value of the Economic Relationship between the UK and Ireland (PA Consulting on behalf of Dept. of the Taoiseach, Ire & Dept. for Business Innovation & Skills, UK), June 2013

<sup>3</sup> [http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/index_en.htm)

<sup>4</sup> Central Statistics Office, Ireland, *Business in Ireland 2011* (Dublin, 2013), p. 6; Welsh Government, *Size Analysis of Welsh Businesses 2013* (October, 2013), p. 2.

33. The main underlying reason for the low spend on research and development (R&D) in West Wales and the Valleys is the proportionately lower R&D expenditure found within the business sector – only 0.5 % of GDP in 2009. Ireland has invested heavily in its science base for over a decade. As a result, two thirds of Ireland's R&D is in the private sector and nearly half of all foreign direct investment in 2009 lay in research, development and innovation.<sup>5</sup> However, foreign owned companies account for over 59% of private sector R&D with small companies of 50 employees less likely to engage. The economic crisis has weakened further the tendency of Irish enterprises to invest in R&D with the majority of companies spending 2% or less and 35% spending nothing.<sup>6</sup> There are therefore common challenges and lessons to be learnt from both sides of the Irish Sea with regard to increasing spend on R&D.
34. The ability of SMEs, and other larger businesses, to exploit new technologies and to respond quickly to changing market needs, gives them a crucial role to play in both R & D and driving economic growth across the programme area. If Wales and Ireland are to meet their Europe 2020 targets for R&D it will be necessary to increase spending amongst SMEs.

*Specific cross border development needs:*

- Need to tackle shared persistent problems and barriers faced by SMEs in transferring of science and technological research for research institutes/ HEIs into products, process, services and other commercial outputs (also related to challenge 1);
- Need to stimulate cross-border cooperation between SMEs and research institutes/HEIs, particularly indigenous business (also related to challenge 1);
- Need to provide opportunities to develop the international competitiveness of SMEs ;
- Need to improve the levels of social and environmental innovation being carried out by SMEs;
- Need to respond to smart specialisation strategies on both sides of the Irish Sea.

*Challenge 4: Vulnerability to the impacts of Climate Change*

35. The programme area is already experiencing the effects of climate change which has impacted on society, the economy, businesses and our shared

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<sup>5</sup> National Reform Programme for Ireland under the Europe 2020 Strategy, April 2011

<sup>6</sup> Position of the Commission Services on the development of Partnership Agreement and Programmes in Ireland for the period 2014-20

ecosystem. Future changes due to climate change , such as an increased prevalence of extreme weather, will have a significant impact on the health of our people and the inequality gap, business viability and the security of employment and attempts to conserve and enhance our natural spaces. Increased flooding caused by extreme weather may also impact on supply chains

36. The impact of climate change on the Irish Sea is of particular importance to both parts of the programme area from both an ecological and economic perspective. Coastal tourism is an important part of the programme area's economy. The adverse effects of climate change are likely to include the loss of beaches and other natural assets due to increased flooding, coastal erosion and rising sea levels. It is important to find ways to adapt to these shared impacts to minimise their adverse affects.

Specific Cross-border needs:

- Need to reduce the risk of the programme area to climate change events, including flooding and coastal erosion;
- Need to cooperate on relevant climate change adaptation measures;
- Need to address specific shared climate change phenomena and risks and implement the uptake of climate change adaptations.

*Challenge 5: Using Natural and Cultural Heritage and Resources to Drive Economic Growth*

37. Both Wales and Ireland are renowned for their attractive landscapes and natural heritage. As neighbours, they are historically linked and are part of the Celtic culture. The programme area alone boasts four National Parks (three Welsh and one Irish), five Areas of Outstanding Natural Beauty in Wales and a European Geopark in Ireland. In Ireland, the natural heritage of species and habitats is deemed to be of such importance that 25 species and 60 habitats are recognised by the EU as in need of special protection.

38. Although these natural assets are of value beyond their economic worth, they also have the potential to drive economic growth with tourism, a key part in the economy of the programme area. There is potential to further utilise this tourism potential through the development of niche tourist attractions and eco-tourism.

39. Jobs and growth can also be driven through the promotion of cultural and creative industries. As already explored, internationalisation of SMEs is a challenge within the programme area and this programme would offer SMEs in these sectors the mechanism through which to expand their connections and markets.

40. The natural resources and assets of the programme area – in particular the Irish Sea – represents a key opportunity to use blue growth, green growth (including renewable energy and the transition to a low carbon economy) as a means of increasing jobs and growth across the programme area. There is also a strong research base which could be utilised to undertake research and stimulate innovation in these sectors. This would assist with meeting EU2020 targets on greenhouse emissions, renewables usage and energy efficiency.

41. It is also important for social and economic cohesion that community based initiatives continue to play an active role in the sustainable development of their own communities and in the protection, preservation and conservation of their natural and cultural environment.

*Specific Cross-border needs:*

- Need to jointly manage the natural and cultural heritage and resources in a sustainable manner;
- Need to utilise the jobs and growth potential of natural and cultural heritage and resources, especially in regard to tourism and renewable energy;
- Need to sustainably harness the economic potential of the natural and cultural heritage and resources of the programme area, particularly focussing on blue and green growth;
- Need to encourage entrepreneurship in cultural and creative industries in the programme area.

*Challenge 6: Economic and Social Cohesion*

42. The economic crisis and the accompanying austerity measures have had a negative impact on economic and social inclusion (inclusive growth). The last few years have witnessed a reduction in GDP per head in Purchasing Power Standard across the programme area.<sup>7</sup> This has been accompanied by relatively low employment levels, partly due to limited employment opportunities. This is evidenced by high levels of out-commuting in Wales and recent emigration in Ireland

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<sup>7</sup> The purchasing power standard (PPS), is an artificial currency unit. Theoretically, one PPS can buy the same amount of goods and services in each country. PPS are derived by dividing any economic aggregate of a country in national currency by its respective purchasing power parities.



43. However, the situation is not the same across the programme area and there are social and economic disparities between the NUTS III regions in terms of deprivation and unemployment, high levels of youth unemployment and NEETS.

44. These disparities reflect the wide variety of settlement types in the programme area. The cross-border area is predominantly rural, but it also incorporates large urban areas, such as Dublin, Cork and Swansea. Whilst poverty is a challenge for large urban environments, the cooperation programme's rural areas suffer from lack of jobs and opportunities which have a significant impact on poverty, employment and standard of living. As a result, the programme area faces considerable shared challenges in ensuring the protection and integration of these communities and finding balanced solutions for both rural and urban communities.

Specific cross border development needs:

- Need to find ways to address the social and economic gaps, particularly between urban and rural areas;
- Need to harness the potential of the major urban centres as potential drivers for growth in the programme area. a including those outside of the immediate geographical area where involvement in the programme can provide specific added value (for example linking our two capital cities of Cardiff and Dublin);
- Need to encourage social entrepreneurship and support social enterprises within the Programme area.

### **Overview of the programme strategy**

45. The overarching strategy for the Ireland Wales programme will be to address challenges and shared priorities of common interest to Ireland and Wales. The programme will support activities addressing a more limited, ocused and concentrated set of thematic activities which can go some way to providing solutions to these challenges and in doing so achieve the greatest impact and genuine cross-border added value and effect . The programme will target economic objectives in alignment with the emphasis on jobs and growth within the European Structural and Investment (ESI) funds, especially ERDF programmes . The programme will have a greater focus on outcomes and results, making these results measurable and visible and generating a greater impact. This stronger focus will help with the development of better adapted and quality projects, deliver clearer messages to stakeholders and improve the project selection process. In striving to meet this goal, due attention has to be given to the scale of the programme and realistic expectations of what can

be achieved and what is deliverable at both programme and project levels within the budget available. To this extent, the programme can act as an enabler and innovator in seeking solutions to issues facing the cross-border region.

46. The programme also provides the opportunity to encourage piloting, test bedding and feeder activity which may have the potential to feed into the Welsh and Irish regional programmes as well as establishing best practice and knowledge with wider geographical potential and read across to other ETC programmes including those at the transnational and inter-regional levels. The programme will also seek to address geographical imbalances in the spread of projects across the programme area with some regions currently participating more heavily than others. The programme will also consider the flexibility in the Regulations for interventions from organisations outside the immediate geographical area to address particular challenges and where their involvement can provide specific added value to the cross-border area (for example linking our two capital cities of Dublin and Cardiff);

47. The following paragraphs present an overview of the new IW cooperation programme strategy. Before elaborating on the strategy, it is important to note the programme cannot address all specific cross-border development needs. As explored in the preceding paragraphs, there is a need to ensure concentration and focus to secure the best impact and results for the investment and also building on the lessons learned from the 2007-2013 cooperation programme.

48. As a result, the strategy of the programme places a particular focus on three Thematic Objectives (TOs):

- TO 1: strengthening research, technological development and innovation;
- TO 5: promoting climate change adaptation, risk prevention and management;
- TO 6: protecting the environment and promoting resource efficiency;

49. The IW Cooperation Programme strategy covers a coherent and complimentary set of three Thematic Objectives (TOs), three Investment Priorities (IPs) and three Specific Objectives (SOs).

### **Justification for the choice of TO and IP (first bullet page 3 OP Template)**

50. The choice of Thematic Objectives (TO) and Investment Priorities (IP) has been carried out on the basis of the following;

- The potential added value of adopting a cross-border approach for the implementation of actions under the specific TO;
- Evidence arising from the joint socio-economic analysis and the SWOT analysis for the Programme area;
- Lessons learned from the 2007-2013 IW cooperation programme which includes the experiences of Programme management bodies and project partners and conclusions of the Programme's mid-term evaluation completed in 2011;
- The relevance of the TO's to the key challenges and most important cross-border development needs identified under each of the overarching objectives of the EU2020 strategy within the programme area;
- The relevance of the TO's to the maritime nature of the border between Ireland and Wales;
- The financial capacity of the programme and its potential to generate impact on the identified needs and challenges;
- Alignment with the strategic priorities of both the Welsh and the Irish Governments;
- The advice and involvement of the Welsh Government's European Territorial Cooperation Workstream;

51. An analysis of each of these points and discussions between Ireland and Wales – which has included a consideration of the EU framework, lessons learned and the needs and challenges of the programme area – has led to three Priority Axes falling under Smart and Sustainable growth being chosen with one of the three TOs under each Priority Axis. Inclusive Growth will be implemented as a cross-cutting element within all selected IPs and will also be further considered in developing the programme's project selection criteria. The Inclusive Growth dimension is wherever relevant visible as a Types of Action within a specific objective.

## **Contribution to Europe 2020 Strategy**

### *Contribution to Smart Growth*

52. The programme strategy will promote cooperation and flow of knowledge between partners across the programme area. The programme will support the development of cross-border smart specialisation clusters based on smart specialisation strategies in Ireland and Wales and collaboration between HEIs and research institutions and the wider private, third and public sector.
53. The programme will focus on research and technological innovation activities resulting in the testing and developing of products, processes and services. The shared challenges addressed in regard to innovation should also be linked to environmental sustainability and to social and economic inclusion. SMEs will be a key target group and specific actions will be undertaken to increase connections between HEIs and SMEs; the involvement of SMEs within innovation clusters; and the building of capacity and capability within SMEs for innovation. The strategy of the programme is designed to enable the SMEs to benefit from the expertise and experience of the HEIs and research institutions across the programme area.
54. The IW strategy corresponds to a number of other European programmes and policies, as outlined in the European Framework. For 'Smart Growth', the most important of these strategies is Horizon 2020. The IW cooperation programme will complement the work being done across the programme area with regard to Horizon 2020. It aims to increase innovation and, through enhancing the connections between HEIs, the private, third sector and public sectors and aid the transfer of research into products, processes and services which can have commercial and economic outputs.

### *Contribution to Sustainable Growth*

55. The programme strategy will contribute to enhancing and safeguarding the environment, reducing emissions and preventing biodiversity loss. Furthermore, the strategy will focus on eco-innovation particularly eco-innovation linked to the Irish Sea, and the effective and efficient use of this valuable resource.
56. Approved projects will include real solutions for the adaption of the programme area to climate change and the reduction of its vulnerability to the shared impacts of climate change. As an increasing issue across the programme area, it is necessary to take action to address this and in so doing also contribute to the protection of the environment and the prevention of biodiversity loss.
57. The programme strategy will align with improvement of the cross-border business environment through its support for innovative activity. The

intention to encourage and support SMEs to innovate will present opportunities to use the cross-border area as a platform to grow sustainably and internationalise.

### *Contribution to Inclusive Growth*

58. The programme strategy will have a jobs and growth agenda threaded through it thereby increasing the employment opportunities available across the region, particularly in areas which currently have high levels of unemployment. This aims to increase the attractiveness of the programme area and thereby contributing to reducing the rates of out-commuting and emigration.
59. Under the first priority axis this also has links to the innovation strategy through social innovation. The programme will support technologies, products, processes and services with a high social impact which will aim to increase social and economic cohesion. Climate change poses a serious risk to the efforts to reduce poverty across the programme area and threatens to undo decades of developmental work. The impact of climate change has a disproportionate effect on the most vulnerable and the programme strategy in regard to sustainable growth will also positively impact on inclusive growth.
60. Social inclusion will be embedded horizontally across the strategy and will be visible – where appropriate – as ‘types of actions’ under each Specific Objective. This will also be included as part of the selection criteria for the projects.

**Table 1: A synthetic overview of the justification for the selection of thematic objectives and investment priorities**

Selected thematic objective	Selected investment priority	Justification for selection
<p>TO 1</p> <p>Strengthening research, technological development and innovation</p>	<p>IP 1b</p> <p>promoting business investment in innovation and research, and developing links and synergies between enterprises, R&amp;D centres and higher education in particular product and service development, technology transfer, social innovation, eco innovation, cultural and creative industries, 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;</p>	<ul style="list-style-type: none"> <li>• Need to meet EU2020 targets for % of GDP spent on innovation;</li> <li>• Better exploitation of research outcomes into new technologies / products / services to impact on social, demographic, spatial, economic and environmental challenges;</li> <li>• Both Commission Position Papers (CPP) focus on the fostering of innovation and the sharing of knowledge and best practice;</li> <li>• Need to support the internationalisation of SMEs;</li> <li>• Need to stimulate key growth sectors and ensure that cooperation is linked to Smart Specialisation Strategies in Ireland and Wales;</li> <li>• Need to pay attention to the 'social dimension of innovation' to deal with social challenges.</li> </ul>
<p>TO 5</p> <p>Promoting climate change adaptation, risk prevention and management through</p>	<p>IP 5a</p> <p>Supporting investment for adaptation to climate change including eco-system based approaches;</p>	<ul style="list-style-type: none"> <li>• Need to meet EU2020 targets around use of greenhouse emissions, renewables and energy efficiency;</li> <li>• CPPs highlight the promotion of renewable energy, energy efficiency and environmental protection;</li> <li>• Programme area has already been effected by the impacts of climate with increases in flooding in recent years. These impacts need to be minimised and adaptation measures put in place;</li> <li>• Need to protect the natural environment and biodiversity.</li> </ul>
<p>TO 6</p>	<p>IP 6c</p>	<ul style="list-style-type: none"> <li>• CPP highlights the potential of maritime borders and the need for a comprehensive</li> </ul>

Protecting the environment and promoting resource efficiency	Conserving, protecting, promoting and developing natural and cultural heritage	<p>observation of the ocean environment;</p> <ul style="list-style-type: none"> <li>• The programme area has a rich heritage with many natural resources. This provides potential for driving jobs and growth;</li> <li>• The programme area is coming out of a period of recession and there needs to be a focus on improving employment opportunities;</li> <li>• Any natural resources need to be developed in a sustainable manner;</li> <li>• .</li> </ul>
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**SECTION 2. DESCRIPTION OF THE PRIORITY AXES**

# **Priority Axis 1: Innovation**



<b>PRIORITY AXIS 1: <i>Innovation</i></b>
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**Introduction of the Priority 'Innovation'**

61. The first priority of the IW programme strategy is 'innovation'. The programme predominately focusses on the 'test' or 'development' phases of innovations and in this perspective seeks to act as an enabler. It aims to bring innovations closer to the market and to support the relevant smart specialisation strategies. Priority 1 also recognizes the importance of social innovation, meaning innovations with a high impact on societal problems.
62. Priority 1 includes one Thematic Objective (TO) and one Investment Priority (IP) that translates into one Specific Objective (SO). The IP is 1b which focusses on applied research and innovation and is inclusive in its thematic scope. However, it is important for this priority to establish a clear linkage with smart specialisation strategies and to support social innovation.
63. Eco-innovation is primarily addressed under Priority 2.

**INVESTMENT PRIORITY 1 of Priority Axis 1: 1b** – promoting business investment in innovation and research, and developing links and synergies between enterprises, R&D centres and higher education in particular; product and service development, technology transfer, social innovation and public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production in Key Enabling Technologies and diffusion of general purpose technologies;

### ***Specific objective***

**SPECIFIC OBJECTIVE 1: To increase the level of innovation through cross-border cooperation in the Programme area, in particular with SMEs, leading to a growth in productivity**

64. Enhanced innovation performance in this programme is defined as better exploitation of research outcomes for the development of new technologies, products, processes and services generating an impact on the social, demographic, spatial, economic and environmental conditions of the programme area. High innovation capacity, namely the applied knowledge, skills, tools & networks to develop new ideas will be a pre-requisite to achieve this result.
65. The programme area has considerable innovation potential and contains a number of HEIs producing high quality research. However, research potential is not trickling down to the SMEs which form a vital part of the programme area's economy – 99% of all enterprises within the programme area are SMEs. This is specifically addressed by Type of Action 1 (ToA 1) in this SO and requires promoting cross-border collaboration to generate knowledge transfer from HEIs to SMEs, the public sector and the third sector. This ToA aims to address Challenges 2 – improving knowledge flow – and 3 – improving innovative capabilities where these needs focus on stimulating cross-border and cross-sectoral cooperation and collaboration, the creation of networks and clusters and overcoming barriers to innovation.
66. In addition, the programme area as a whole continues to have difficulties transforming science and research into commercial outputs including products, processes, and services. ToA2 therefore focuses on bringing new products closer to the market. This ToA excludes basic research projects and marketing/commercialisation actions. The ToA aims to address aspects of Challenges 2 and 3 where the needs focus on the testing, transferring and developing of new products, process and services, strengthening responses to smart specialisation strategies and providing opportunities to develop the international competitiveness of SMEs.

67. Social innovation, meaning the development and implementation of innovative solutions for social needs and problems, is addressed in ToA3. Specific attention will be paid to communities under pressure, populations which are excluded or at risk of exclusion, thereby contributing to the EU 2020's 'inclusive growth' objective . This ToA aims to address aspects of Challenge 6 – economic and social cohesion – as well as Challenges 2 and 3.
68. The relevant Smart Specialisation Strategies in Ireland and Wales will provide the appropriate policy framework to guide the selection of projects under this Specific Objective. Activity focusing on providing training and improving skills can be included as an element of a project where it complements and supports the main project activity.

### ***Actions to be supported under this investment priority***

**ToA 1: Building the capacity** to improve innovation performance. We recognise that innovation can be carried out by any organisation (e.g. private, third and public), and is not only linked to science and technological research by academia and business. This action particularly targets the lack of capacity within SMEs to innovate by encouraging collaboration across sectors and across the programme area to enable increased productivity. This will include cross-sectoral, cross-border partnerships of public, private, HEIs and research institutes, and the third sector to jointly improve innovation performance and expertise. This Priority will also provide flexible support for innovation which can address specific barriers for innovative or research focused businesses, as well as for businesses seeking to increase innovation or use of research. Activities should relate to smart specialisation strategies in Ireland and Wales..

Actions may include collaboration on:

- Bringing together organisations who would not usually work together (e.g. cross and multi-sector working, bringing together HEIs and research institutes with public private and third sector partners) to stimulate cross-border collaboration and the development of fresh ideas and concepts;
- Improving and developing new innovative supply chains between businesses and with academia including technological transfer;
- Joint cross-border design of innovative solutions which could include piloting, testing or finding ways to overcome barriers to innovations;
- Developing both physical and digital cross-border low-cost hubs or clusters for innovative businesses and sectors – including clusters aimed at core skills and identifying business opportunities; and innovative business clusters based on the geographical characteristics of the region, i.e., small towns and rural environments.
- Pilot actions on developing knowledge exchange and collaboration tools.
- Activities which stimulate innovation.

These actions will lead to an improved and increased cooperation among innovation stakeholders (for example public, private, research and third sector) on a cross-border level, thereby enhancing the innovation capacity to increase innovation performance.

**ToA 2: Translation of research and innovation processes into new and improved commercial products, processes and services** through cooperative actions that take forward the development of specific products, services or processes to a stage of market-readiness. Actions will focus mainly on the concept/technology validation phase of the innovation idea including its design,

testing and development phases. Success cannot be guaranteed and we will seek to support a balanced range of investments including pilot actions and applied research and innovation, alongside projects with clear market exploitation potential. The IW cooperation programme will seek to increase investment in applied research and experimental development with a clear link to economic outcomes, where it can contribute to growth and productivity in the programme area. Actions need to link to the objectives of the Welsh and Irish smart specialisation strategies.

Actions may include collaboration on:

- Piloting initiatives to develop and test and transfer innovative products, prototypes, processes or services with commercial potential;
- Developing and launching innovative new uses and adaptations for existing technology, processes or services into new markets;
- Marketing of innovation products, processes and services and expansion of available markets assisted by the sharing and development of best practice, expertise and experience;
- Commercialisation, protection and exploitation of research (including applied research to improve market readiness);
- Support for the development of smart specialisation clusters with a focus on commercial application of research and innovation;
- Transferable models to assist internationalisation and trade.

**ToA 3: Delivering societal benefits through innovation.** Actions are aimed at the entirety of programme area but specifically targeted at ensuring the protection and integration of at risk or marginalised communities and finding balanced solutions for both rural and urban communities. Actions aim to support development, testing and implementation of innovative solutions to meet social needs and problems ('social innovation') and which can also result in the economic regeneration of these communities. This will include actions which support innovation within social enterprises and social entrepreneurial activity.

Actions may include collaboration on:

- Designing and demonstrating products for populations which are isolated, excluded or at risk of exclusion;
- Developing and delivering cross-border services or financial tools that address the demographic or social challenges highlighted in the programme

area, in particular unemployment, deprivation, health inequalities, rural peripherality /isolation and social integration;

- Developing cross-border clusters or networks focussing on social and economic development of communities – particularly coastal and rural communities;
- Cross-border support and cooperation for social enterprises to engaging in innovation – including developing low cost cross-border hubs and clusters; actions to improve communications and connections between social enterprises and the innovation sector; and cross-border partnerships between HEIs and research institutes and the community and sharing and development of best practice and models on a cross-border basis

These actions will lead to product, service or process oriented solutions that address social needs in the programme area and allow the programme to deliver towards the 'inclusive growth' aspect of EU2020.

### **Identification of main target groups**

69. The main target groups for this specific objective are:

- Education and knowledge institutions-, including private or semi-public research organisations;
- Enterprises and businesses, particularly SMEs and social enterprises.

### **Specific territories targeted**

70. This IP supports projects from across the whole programme area, thereby providing opportunities for partners from all regions.

### **Identification of main beneficiaries**

71. The main beneficiaries directly involved in the interventions under this specific objective are:

- SMEs;
- (Social) Enterprises;
- Governmental organisations (local, regional, national and international);
- Civil society stakeholders (for example third sector organisations such as NGOs and non-profit organisations);
- Education and knowledge institutions-, including private or semi-public research organisations;
- Intermediate bodies, such as chambers of commerce, development agencies, cluster organisations, technology transfer offices.

### ***The guiding principles for the selection of operations***

72. Actions carried out to fulfil this specific objective are selected on the basis of six key principles:

- Cross-border additionality: Projects should have a clear focus on delivering joint cross-border actions and must demonstrate the additionality of the cross-border approach compared to regional, national, interregional or transnational approaches;
- External coherence: Projects building on the results generated by other European programmes (such as the EU's Research Framework Programme) are welcome. Cross-border cooperation should refer to activities under these programmes, provide an explanation of synergies and must ensure there is no duplication of existing or previous projects carried out under other European programmes or national funding;
- Sector-specific relevance: The relevant Smart Specialisation Strategies in Ireland and Wales will provide the appropriate policy framework to guide the selection of projects under this Specific Objective.
- Cross sectoral relevance: Partnerships must involve a diversified mix of innovation stakeholders (for example enterprises, researchers, education institutions, training organisations, policy-makers, private investors, end users);
- Result-based approach: Projects should be geared towards a specific innovative product, service, process or cross-border tool. In addition, projects should demonstrate that they contribute to one or more key social, economic or environmental challenge of the programme area. Projects must demonstrate how they contribute to the programme result indicator under this SO.

Projects focussing on purely academic cooperation or basic research will not be considered as part of this programme.<sup>8</sup>

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<sup>8</sup> Basic research (also called pure research or fundamental research) is a systematic study directed towards greater understanding or knowledge of the fundamental aspects of phenomena without specific application or products in mind.

# **Priority Axis 2: Climate Change**



<b>PRIORITY AXIS 2: <i>Climate Change</i></b>
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### **Introduction of the Priority 'Climate Change'**

73. The second priority within the IW cooperation programme strategy is 'climate change' which focusses on the adaptation of the programme area to the impacts of climate change. Climate change is one of the most important issues facing the world and both parts of the cross-border region need to reduce the amount of greenhouse gases emitted to help limit the extent of climate change; whilst also adapting to its effects. This is an issue which is likely to have significant impact across the programme area. Priority 2 also recognises the importance of eco-innovation in responding to these challenges and to making the most of the potential opportunities presented by climate change.
74. Priority 2 includes one Thematic Objective (TO) and one Investment Priority (IP) which translates into one Specific Objective (SO). The IP is 5a which focusses on adaptation to climate change. It is important to establish a clear linkage with the impact of climate change on jobs and growth, the well-being of those who live, work and visit the programme area and on the Irish Sea.
75. This Priority Axis has a clear focus on eco-innovation. .

**INVESTMENT PRIORITY 1 of Priority Axis 2: 5a – Supporting investment for adaptation to climate change including eco-system based approaches**

***Specific objective***

**SPECIFIC OBJECTIVE 1: To enhance the ability of the programme area to adapt to climate change through cross-border cooperation**

76. As highlighted in Section 1, the programme area is already experiencing the effects of climate change and these have impacted on society, the economy, businesses and our shared ecosystem – including the Irish Sea. The programme area needs to both recognise these impacts – negative and potentially positive – and adapt to them. Given the recent prevalence of extreme weather, which is most likely caused by the effects of climate change, there needs to be a transition to a more resilient programme area which is better prepared for these challenges. However, it also needs to be acknowledged that these effects, such as the warmer summers, could benefit the programme area. Actions to enhance the ability of the programme area to adapt to climate change are necessary for sustainable growth, and the health, well-being and security of the inhabitants of the programme area as well as the preservation and enhancement of the Irish Sea. To meet these challenges the programme will need to act to strengthen cross-border cooperation to develop, adapt, transfer, test and foster climate change adaptation measures.
77. Previous programmes have developed innovative projects based on the Irish Sea which have improved our knowledge of the sea between us in terms of ecosystems, biodiversity and habitats. A key goal for this programme is to preserve and enhance the marine environment for the enjoyment of future generations in the face of the increasing threats and impacts of climate change. The Irish Sea has significant potential in terms of blue growth and the enhancement and conservation of this important resource is vital for sustainable economic development based upon the Irish Sea.
78. There is much to be gained from working on a cross-border basis in the area of climate change. This is an international issue which significantly affects both parts of the region – most obviously the region shares an important common resource in the Irish Sea. The Climate Change theme from the 2007-2013 programme shows that there is clear added value in working on a cross-border basis around this issue. The effects of climate change are similar – in the case of the Irish Sea the challenges are the same – and the region can only benefit from trying to develop new approaches on a joint collaborative basis. The ToAs identified as part of this Priority Axis aim to primarily address Challenge 4 – vulnerability to the impacts of climate change – as well as some aspects of Challenge 1 – utilising the potential of the Irish Sea – particularly around the need to conserve and preserve the Irish Sea, the opportunities for eco-innovation provided by the Irish and the opportunities the Irish Sea provides in terms of renewable energy production. The implementation of climate

adaptation strategies is part of ToA4. Actions must address the challenges outlined in section 1 through the actual implementation of detailed and specific climate change adaptation strategies. Outputs are therefore not measured in terms of strategies produced, but in terms of real solutions put into practice that lead to the increased adaptation of the area to climate change.

79. This cross-border region is host to a large number of organisations, including HEIs, government departments, public bodies and third sector organisations, which have a history of working together for the benefit of the region. ToA 5 will seek to build on this experience and utilise their experience of scientific and environmental excellence for the development of innovation solutions which will benefit the programme area as whole. As well as Challenges 1 and 4, this ToA will address aspects of Challenges 2 – improving knowledge flow – and Challenge 3 – improving SME innovative capabilities. It will address all the needs identified by these challenges where the innovation concerned is primarily focussed upon eco-innovation . This includes the needs to stimulate cross-border and cross-sectoral cooperation, testing and developing new products, process and services and tackling shared barriers faced by SMEs.
80. This kind of cross-border engagement should result in tangible benefits and outputs for the programme area. Cross-border cooperation should therefore be seen as a means of initiating and delivering real change, rather than as an end in itself. In order to participate organisations must be able to demonstrate exactly how they will both support cooperation between participating organisations and also the tangible outcomes that their activity will produce.
81. Activity focusing on providing training and improving skills can be included as an element of a project where it complements and supports the main project activity.

## ***Actions to be supported under the investment priority***

**ToA 4- Developing and Implementing Adaptation Solutions** Given the maritime nature of the border between Ireland and Wales, there will be a focus on the development and implementation of cross-border adaptation solutions for marine and coastal communities, businesses and environments. However, the impacts of climate change can be felt across the entire programme area, including in the hinterlands; therefore these actions will not be confined wholly to the sea and coastline (it is acknowledge that risks in the inner hinterland may have consequential risks to communities on the coasts e.g. transport risks). Actions will be aimed at the implementation and delivery of cross-border climate change solutions although some research elements will be permissible where they can be seen to directly link with delivery (projects focused purely on academic cooperation or basic research will not be funded under this programme).

### Understanding the threats and opportunities

- Joint actions to understand the threats and opportunities from climate change on the environment, infrastructure, health, business, tourism and communities of the programme area and spatial differences in these impacts ;
- Developing capabilities across the programme area to identify, quantify and assess existing vulnerabilities and future risks from climate change e.g. impacts/ scenarios (positive/negative) on economic development (and particularly on businesses), social inclusion and natural resources – exchanging best practice and producing cross-border models;
- Activities which increase an understanding of the evidence base on the impacts of climate change on the Irish sea and supporting activities including the sharing of best practice models.

### Developing actions against the threats and opportunities

- Develop adaptation actions to minimise the threats or maximise the opportunities to sectors, organisations, and communities in the area.
- Developing evidence based cross-border adaptation strategies, management plans and pilot projects to turn what otherwise might be negatives into opportunities – particularly related to the marine and coastal environment;
- Delivery of relevant cross-border adaptation measures, particularly for coastal communities and marine environment;
- Cross-border measures to encourage the use of climate change adaptation strategies and adaptation measures – including cross-border publicity campaigns, action plans to promote uptake and sharing of expertise and best practice models;

### Implementing actions

- Transferring knowledge, expertise and best practice on adaptation measures between the two regions of the programme area;
- Sustainable management of the marine environment, ecosystems and biodiversity which are threatened by climate change;
- Stimulating awareness amongst the communities of the programme area to influence behavioural change, knowledge awareness and best practice with regard to climate change adaptation

### Monitoring and Reviewing Actions

- Developing the knowledge base on adaptation to climate change, monitoring, surveying or mapping to reduce uncertainty to eco-systems, biodiversity and aquaculture particularly focused on the Irish Sea;

**ToA 5 – Eco-innovation** As discussed in Priority 1 innovation is key to addressing key challenges across the programme area. Actions will be aimed at the creation of cross-border eco-innovation clusters and networks focussed on the Irish Sea as well as the development of innovation technologies, products, processes and services to adapt to climate change. This will provide an environment for sharing knowledge and experience on a cross-border basis and to accelerate the development of climate change adaptation solutions. Part of adapting to climate change is exploring future risks more widely (e.g. in terms of energy security) and adapting the way in which we approach and use our resources such as energy and actions will also be aimed at exploring the potential for marine energy production in the Irish Sea and other forms of renewable energy production.

- Piloting initiatives to develop and test innovative products, prototypes, processes or services in adaptation and the renewable energy sector – especially marine energy production – including cross-border research into adaptation solutions, renewable energy sources and pilot projects to demonstrate practical application and transferability to business and wider communities;
- Applied collaborative research and innovation on climate change adaptation, including new concepts approaches, products, processes, services and technologies with cross-border participation by HEIs, research institutes, business, the public sector and third sector – particularly focussed on the maritime environment;
- Cross-border demonstration and testing of new products, services, processes and systems relating to climate change adaptation in businesses, communities and the natural environment;

- Creation of cross-border eco-innovation clusters or networks around the Irish Sea – creating a platform for HEI , Third Sector, businesses and public sector agencies to collaborate and co-ordinate their activities on a cross-border basis to meet programme area's needs – for example an Observatory based on the Irish Sea;
- Operations which develop the concept of the citizen scientist (ie community involvement) working innovatively with HEIs and other research organisations.

### **Identification of main target groups**

- Statutory Bodies and organisations (including local and regional government)
- HEIs and Research institutes
- Third sector organisations
- Businesses

### **Specific territories targeted**

82. Given the maritime nature of the border between Ireland and Wales, there will be a focus on the development and implementation of adaptation solutions for marine and coastal communities and environments. However, the impacts of climate change can be felt across the entirety of the programme area, including in the hinterlands, and therefore these actions cannot be wholly confined to the sea and coastline.

### **Identification of main beneficiaries**

- HEIs and research institutes
- Organisations in the green and blue sector
- Public Sector organisations and bodies
- Third sector organisations working on the environment and climate change
- Businesses, business organisations and networks

### ***The guiding principles for the selection of operations***

83. Actions carried out to fulfil this specific objective are selected on the basis of four key principles:

- Cross-border additionality: Projects should have a clear focus on delivering joint cross-border actions and must demonstrate the additionality of the cross-border approach compared to regional, national, interregional or transnational approaches;

- External coherence: Projects building on the results generated by other European programmes (such as the EU's Research Framework Programme) are welcome. Cross-border cooperation should refer to activities under these programmes, provide an explanation of synergies and must ensure there is no duplication of existing or previous projects carried out under other European programmes or national funding;
- Cross sectoral relevance: Partnerships should involve a diversified mix of stakeholders (for example enterprises, researchers, education institutions, training organisations, policy-makers, private investors, end users);
- Result-based approach: Projects should be geared towards the development and implementation of real solutions (technological, organisational, financial, regulatory and institutional) leading to an increase in the adaptation of the programme area to climate change.

Projects focussing on purely academic cooperation or basic research are not be funded by this programme.<sup>9</sup>

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<sup>9</sup> Basic research (also called pure research or fundamental research) is a systematic study directed towards greater understanding or knowledge of the fundamental aspects of phenomena without specific application or products in mind.

# **Priority Axis 3:**

## **Cultural and Natural Resources and Heritage**



### **PRIORITY AXIS 3: *Cultural and Natural Resources and Heritage***

#### **Introduction of the Priority ‘Cultural and Natural Resources’**

84. The programme area has huge potential in terms of the cultural and natural heritage and assets at its disposal, particularly its maritime and coastal character. This priority axis focusses on sustainably utilising this heritage and these resources and the potential for green and blue growth to deliver sustainable economic growth across the programme area. This will make the region a more attractive place to live, relocate, work and visit. Through this dedicated priority the cooperation programme aims to enhance the quality of the surroundings for both those who live here and for visitors, by protecting and capitalising on the strengths of the programme area; its natural heritage, its shared cultural heritage and its maritime character.

85. Priority 3 includes one Thematic Objective (TO) and one Investment Priority (IP) which translates into one Specific Objective (SO). The IP, is 6c, which focusses on where the greatest value can be gained through the sustainable exploitation of cultural and natural heritage and resources. Although there will be a concentration on economic growth, the societal benefits which can also be rederived from cultural and natural heritage will also form a key component of this priority axis.

#### **Definition of Cultural and Natural Heritage**

86. The European Commission describes cultural heritage as::

‘A rich and diverse mosaic of cultural and creative expressions, inherited from past generations and composed by natural, built and archaeological sites as well as museums, monuments, artworks and historic cities.

It includes literary, musical, and audiovisual works, and the knowledge, practices and traditions of European citizens.’<sup>10</sup>

87. This is expanded upon and broken down in distinct categories by the UNESCO definition of cultural heritage which also defines natural heritage. These two definitions will be used to inform the approach of this programme.

Cultural heritage:

- Tangible cultural heritage:
  - movable cultural heritage (paintings, sculptures, coins, manuscripts)
  - immovable cultural heritage (monuments, archaeological sites, and so on)

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<sup>10</sup> [http://ec.europa.eu/culture/policy/culture-policies/cultural-heritage\\_en.htm](http://ec.europa.eu/culture/policy/culture-policies/cultural-heritage_en.htm)

- underwater cultural heritage (shipwrecks, underwater ruins and cities)
- Intangible cultural heritage: oral traditions, performing arts, rituals

Natural heritage:

- natural sites with cultural aspects such as cultural landscapes, physical, biological or geological formations.<sup>11</sup>

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<sup>11</sup> UNESCO Definition - <http://www.unesco.org/new/en/culture/themes/illicit-trafficking-of-cultural-property/unesco-database-of-national-cultural-heritage-laws/frequently-asked-questions/definition-of-the-cultural-heritage/>

***INVESTMENT PRIORITY 1 of Priority Axis 3: 6c Conserving, protecting, promoting and developing natural and cultural heritage***

***Specific objective***

**SPECIFIC OBJECTIVE 1: To sustainably realise the potential of natural and cultural assets in delivering economic growth across the programme area**

88. The programme area has a rich and varied heritage which manifests itself in both attractive natural landscapes and strong cultural traditions. As neighbours, Wales and Ireland are very strongly linked through historical and cultural ties with centuries of movement across the Irish Sea. Ireland and Wales benefit from a shared celtic culture including the use of celtic languages. The IW cooperation programme does not yet take full advantage of all of these unique assets and opportunities. Coastal and rural areas and communities as well as cities – including Dublin – could offer exceptionally attractive places to live, and work; be the destination of choice of visitors from around the world; and make a major contribution to sustainable economic prosperity particularly through green and blue growth.

89. All regions in the programme area should be using their natural and cultural heritage and assets – including the Irish Sea – to become more attractive places to live, relocate, work and visit and to deliver sustainable economic growth:

- More attractive place to live – to ensure that the programme area is a place where people can live healthy, active and productive lives and where quality of life is high;
- More attractive place to relocate to – to ensure that the programme area is a place where people choose to relocate to. This links closely to the programme area being both an attractive place in which to live and work in;
- More attractive place to work – to ensure that the programme area is a place where businesses choose to invest, or where local entrepreneurs can flourish, where people have a range of career opportunities and are encouraged and supported to reach their full potential;
- More attractive place to visit – to ensure that the programme area is a place people where want to travel to and enjoy, supporting the local economy and where the shared culture and heritage of the area is celebrated and sustained.

90. ToA 6 will focus on how cultural and natural heritage can be utilised to increase the attractiveness of the programme area as a place to live, work, relocate and visit and thereby deliver sustainable economic growth. This will

focus particularly, but not exclusively, on how the Irish Sea can be used to this end and how green and blue growth can be utilised to underpin economic growth. This will address aspects of Challenge 1 – utilising the potential of the Irish Sea – particularly around the need to balance environmental enhancement and economic benefit and taking forward opportunities for blue growth presented by the Irish Sea. It will also address Challenge 5 – using cultural and natural resources to drive economic growth.

91. Only by building and maintaining strong communities can you have strong regions which can be attractive for economic, social and environmental development. ToA 7 will focus on the use of cultural and natural heritage in the development and promotion of socially inclusive sustainable development. Whilst the importance of economic growth in the region is significant, it is also important to remember that it is often those interventions aimed at providing societal benefits which can increase the attractiveness of an area and therefore its economic potential. ToA 7 will support the need within Challenge 1 to take forward opportunities for the sustainable development and regeneration of coastal communities as well as the other aspects of Challenge 1 highlighted above. As well as Challenge 1 and Challenge 5, this ToA will also address aspects of Challenge 6 – economic and social cohesion particularly the need to harness the potential of major urban centres; the need to encourage social entrepreneurship and social enterprises and the need to find ways to address social and economic gaps.
92. Activity focusing on providing training and improving skills can be included as an element of a project where it complements and supports the main project activity.

## ***Actions to be supported under the investment priority***

**ToA 6 – Enhancing Sustainable Economic Growth** through cross-border co-operative actions which support, maintain and preserve the unique cultural and natural heritage and assets of the programme area, taking advantage of this to support and enhance the local economy particularly through green and blue growth and ecosystem services.

- Cross-border promotion of business opportunities which take full advantage of the sustainable management of natural resources, such as niche tourist attractions, including coastal and cultural attractions and maritime heritage sites – including cross-border marketing approaches; and the implementation of cross-border events and communication measures to increase interest;
- Cross-border maritime tourism development – including support for tourism at sea including developing and testing best practice models
- Development of entrepreneurial activity, SMEs and micro-enterprises active in the natural heritage and sustainable resource management, tourist, creative and cultural heritage sectors – including testing and demonstrating different approaches to revive or enhance these industries; and sharing best practice, expertise and experiences on a cross-border basis;
- Cross-border promotion of the socio-economic value of traditional maritime and in-land industries and fisheries – including testing, demonstrating, and sharing different approaches to revive or enhance these industries;
- Utilising existing strengths in terms of creative and cultural heritage to deliver benefits in terms of economic growth, development and societal benefits – including supporting the expansion or start up of businesses in these areas;
- Supporting the development, production and commercialisation of products, processes and services based on unique cultural and local characteristics;
- Enhancing the environment – particularly the coastal and marine environment – in order to support green and blue growth.

**ToA 7 – Developing and Promoting Socially Inclusive Sustainable Development**  
Actions which empower communities to deliver conservation, development and regeneration in their own communities through the sustainable exploitation of the natural and cultural heritage and assets available to them.

- Community regeneration through sustainable development and job creation based on cultural and natural heritage – particularly focused on coastal and rural communities – including promotion and development of cultural heritage initiatives with emphasis on supporting economic development;

- Using traditional, cultural and creative strengths to improve an area and make it a more attractive place to live, relocate, work and visit;
- Engaging communities in the conservation of their natural and cultural heritage – including creating capacity within communities to engage and share best practice and ideas in innovative community, environmental and economic development; support for the development and promotion of joint environmental enhancement activities; and cross-border partnerships between research stakeholders and the community;
- Developing expertise and best practice identifying cross-border models for healthy living through outdoor activities and sport;
- Sharing expertise on a cross-border basis to make the area a more attractive place to live, relocate, work and visit – including the development of knowledge transfer clusters.

### **Identification of main target groups**

93. The programme will select applications from the public, private, third and community sectors. Examples of the types of organisations under these broad headings which could apply for funding are;

- HEIs
- Governmental organisations (local, regional, national and international)
- Social enterprises
- SMEs
- Third sector organisations
- Community development group and associations;
- Environmental organisations.

### **Specific territories targeted**

94. Given the maritime nature of the border between Ireland and Wales, there will be a focus on the coastal and marine environments particularly given the proximity of all parts of the programme area to the coast. However, cultural and natural heritage is not confined to these areas and therefore activity also be focussed on land based heritage and occur across the entirety of the programme area.

## **Identification of main beneficiaries**

95. The main beneficiaries directly involved in the interventions under this specific objective are:

- Governmental organisations (local, regional, national and international);
- Civil society stakeholders (for example third sector organisations such as NGOs and non-profit organisations);
- Education and knowledge institutions-, including private or semi-public research organisations;
- Enterprises – including social enterprises;
- SMEs;
- Community Development groups and associations.

## ***The guiding principles for the selection of operations***

96. Actions carried out to fulfil this specific objective are selected on the basis of four key principles:

- Cross-border additionality: Projects should have a clear focus on delivering joint cross-border actions and must demonstrate the additionality of the cross-border approach compared to regional, national, interregional or transnational approaches;
- External coherence: Projects building on the results generated by other European programmes (such as the EU's Research Framework Programme) are welcome. Cross-border cooperation should refer to activities under these programmes, provide an explanation of synergies and must ensure there is no duplication of existing or previous projects carried out under other European programmes or national funding;
- Cross sectoral relevance: Partnerships should involve a diversified mix of stakeholders (for example enterprises, researchers, education institutions, training organisations, policy-makers, private investors, end users);
- Result-based approach: Projects should be geared towards the use of cultural and natural heritage to deliver real economic benefits. Projects which focus solely on cultural exchanges without any clear economic outcome will not be eligible.

