

## S&E Regional OP 2007 – 2013 Draft Implementation Plan 2.3

<b>Operational Programme</b>	S&E Regional Operational Programme 2007-2013
<b>Priority</b>	Environment & Accessibility
<b>Theme</b>	Information & Communications Technology Accessibility
<b>Sub-Theme</b>	Broadband Provision and Demand Stimulation
<b>Categorisation Code</b>	15
<b>ERDF Certifying Body</b>	Department of Finance
<b>Managing Authority</b>	S&E Regional Assembly
<b>Intermediate Body</b>	Department of Communications, Energy and Natural Resources
<b>Level 1 Public Body</b>	Local Authorities
<b>Grant Rate</b>	Variable (Project Specific)
<b>EU Co-financing Rate</b>	40%

### **Description**

Under this measure, support from public funds will be provided primarily to overcome identified gaps in broadband infrastructure. This will be achieved through the following schemes:

- Completion of the Metropolitan Area Networks (MANs) in partnership with local and regional authorities. A further phase of MANs will be considered once the effectiveness of spending under the first phase has been addressed.
- Scheme to subsidise the provision of broadband services in un-served areas. A new National Broadband Scheme (NBS) is currently under development to deliver broadband to areas of the country that would not be served without intervention. This will be implemented over the early part of the plan.
- Facilitating access to advanced telecommunications infrastructure by SMEs.
- Stimulation of demand for advanced telecommunications services among SMEs.

### **Objectives**

- The Metropolitan Area Networks (MANS) Programme is constructing open access wholesale telecommunications networks to facilitate the delivery of retain broadband by competing service providers.
- The National Broadband Scheme (NBS) will provide broadband services to certain target rural areas in Ireland in which broadband services are not available or are unlikely to be available in the foreseeable future.
- The DCENR is considering initiatives aimed at stimulating demand for advanced telecommunications services among SMEs.

### **Responsibilities of Intermediate Body (Department of Communications, Energy and Natural Resources)**

- Design of the intervention and selection of projects for funding.
- Design of procurement process for suppliers where relevant.
- Carry out additional horizontal proofing (e.g. equality proofing, environmental impact assessments and poverty proofing) that may be required are carried out and to ensure there is no duplication of EU funding.

- Approval of project designs.
- Ongoing monitoring of projects.
- Physical and financial checks on progress including spot-checks of individual projects to check eligibility and accuracy and ensuring a clear audit trail exists.
- Identifying and reporting irregularities and ensuring that projects comply with all National and EU requirements.
- Preparation of drawdown claims for the Managing Authority and Certifying Authority.
- Completion of Monitoring Committee Reports.
- Ensuring compliance with information and publicity requirements.
- Co-operating with Operational Programme evaluations.

### **Responsibilities of Level 1 Public Body**

#### MANs – Local / Regional Authority

- Construction of the infrastructure once the Intermediate body has selected the projects to be funded.
- Design of the network.
- Contractors are selected from an EU procurement process that complies with all EU Directives.
- Monitoring and control of expenditure during the project.
- Reporting and certifying the accuracy, actuality and eligibility of expenditure for drawdown of ERDF assistance.

#### NBS – Department of Communications, Energy and Natural Resources.

- Design of the scheme
- Tender for service in accordance with EU Guidelines.
- Monitor rollout of in accordance with the agreed contract for service.
- Monitoring and control of expenditure during the project.
- Reporting and certifying the accuracy, actuality and eligibility of expenditure for drawdown of ERDF assistance.

Both beneficiary bodies must comply with EU directives with regard to procurement, publicity and document retention.

### **Contribution to Horizontal Themes**

*Social Inclusion:* All businesses in Rapid or Clár areas currently without broadband will have broadband available to them as a result of the NBS

### **Project Selection**

#### MANs

The Projects that comply with the objectives of the intervention will be selected by way of evaluation under specific criteria that will have regard to:

- Development of an inclusive Information Society
- Value for money
- Feasibility and Viability
- Evidence of additionality and avoidance of displacement
- Facilitating social inclusion and Regional Balance

The selection process will also ensure compliance with Department of Finance Capital Appraisal Guidelines, to include full cost benefit analysis, recommendation by the

project board (Communications Development Division) and approval by the Department's Management Committee.

#### NBS

The Department of Communications considered it appropriate that the Government should intervene to overcome a market failure in some parts of the country where it would not be commercially viable for the private sector to provide broadband services.

A Steering Group comprising officials from the Department and representatives from the Commission for Communications Regulation (ComReg) considering all elements of the proposed scheme and worked on the design of an appropriate tender. Indicative maps were prepared to help inform the tendering process. All areas unserved by service providers in July 2008 will be eligible for rollout of services under the Scheme.

The Steering Group held bilateral meetings with the large Service Providers, representative of the various platforms for the delivery of broadband. The purpose of the meetings with the Service Providers was to seek their views on the introduction of such a scheme in advance of the Steering Group's finalisation of the scheme outline. The Steering Group then recruited consultants seeking expert advice on a final solution. Procurement is based on a competitive dialogue process the outcome of which will determine the successful provider to deliver the service.

#### **Performance Indicators**

<b>Class</b>	<b>Indicator</b>	<b>Baseline</b>	<b>Mid-term Dec '09</b>	<b>Final</b>
Output	No. of initiatives to enable broadband infrastructure and service provision	0	2	3
Result	Additional businesses with broadband available No. in Clár regions	0	13,875	23,125

#### **Financial Management**

The gross public expenditure in respect of projects funded under this measure will be provided annually in the estimates of the Intermediate Body from the B1 Subhead of the Department of Communications, Energy and Natural Resources Vote.

#### *MANs*

- Project stage payments will be paid by the Department of Communications, Energy and Natural Resources to the final beneficiaries in accordance with the terms of the contract and on the basis of certified returns of progress and expenditure furnished by them. Beneficiaries will be required to certify eligible expenditure and compliance with relevant national and EU regulations and submit claims to the Intermediary Body.

#### *NBS*

- The gross public expenditure in respect of this scheme will be provided annually in the estimates of the DCENR. The final beneficiary will purchase a service from the winning tender and payment for the service will include the ERDF contribution which will be reported by the Department. It is envisaged that the successful service provider will claim payments on achievement of specific service delivery milestones.

- The final beneficiary will be required to have in place separate accounting arrangements in respect of NBS project expenditure. The final beneficiary will be required to maintain proper records of account and details of all costs including certified invoices, cheque statements etc. in respect of any claim for payment.

The NBS Unit within the Division is the Level 1 Public Body, preparing the claim to be submitted to the implementing body – the Finance Unit of the division, who will then prepare a claim to be submitted to the Managing Authority. Both sections have responsibility for verification checks, checking expenditure incurred against both the DU Regulations and the Contractual Agreements that are in place with the Department. These payment procedures in conjunction with the eligibility checks and other requirements under the Regulations will be set out in the Department's procedures manual.

#### Document Retention

The Intermediate Body and Level 1 Public Bodies will ensure that all supporting documents regarding expenditure, verification checks, certification and audits on the interventions concerned are kept available for the EU Commission and Court of Auditors for a period of three years following the closure of the Operational Programme. Specific arrangements will be put in place by each body to comply with this provision and detailed in the procedures manual.

#### **Monitoring and Reporting arrangements**

The Department of Communications, Energy and Natural Resources will be responsible for the monitoring of individual projects and will report on progress to the Monitoring Committee. In general terms, project milestones will be established for each project and the Level 1 Public Bodies will report regularly on the indicators, and on budget implementation progress to the Department. The Department will compile a bi-annual report on performance indicators at theme level setting out progress against initial objectives and targets. Progress reports will cover financial management details and qualitative information, including the contextual indicators, where appropriate. A quarterly report on expenditure under the theme will also be provided. The Department will agree the composition and format of these reports with the Managing Authority. The Computerised System will be used to transfer information on the measure to the EU Commission.

#### **Information and Publicity**

The Department of Communications, Energy and Natural Resources in association with the Regional Assembly for the S&E Region will take steps to ensure that adequate publicity is given to the measure with a view to making the general public, potential beneficiaries and trade organisations aware of the opportunities afforded by the measure.

The contribution of the ERDF and Exchequer Funds will be acknowledged in all advertisements, publicity and forms and by means of a notice at sites during construction and at facilities once they are completed. All Information and Publicity will be undertaken in accordance with the Communications Plan.

#### **North/South Co-operation**

The grant-assisted investment in communications and e-commerce infrastructure and services under the measure should facilitate greater North-South co-operation. In implementation terms, the scope for North-South co-operation will principally rest

with information and communications operators co-ordinating their activities North and South, in particular those for which they are seeking assistance in both jurisdictions. The increased availability of the type of services which the measure will facilitate will also contribute to the social and economic development and regeneration of border areas generally.