



Lowlands and Uplands Scotland ERDF and ESF Programmes 2007 - 2013 Programme Monitoring Committee

CONSIDERATION OF ERDF ADVISORY GROUP REPORTS AND PROJECT RECOMMENDATIONS REPORT BY THE SCOTTISH GOVERNMENT

1. Purpose

- 1.1 To advise the Committee of the recommendations from the four Advisory Groups arising from the appraisal of the Third Round of ERDF project submissions in the LUPS ERDF Programme 2007-13. This report also seeks the endorsement of this Committee with regard to a number of key issues that have influenced the Advisory Group process in the current round and to highlight implications of current thinking for subsequent bidding rounds.

2. Background

- 2.1 One of the significant changes to the business processes for the new Programmes was a two-stage application process. The First Stage was a formal expression of interest in applying for European Structural Funds, where applicants supply a brief summary description and outline expenditure figures and anticipated outcomes for the project. The aim for this stage of the process was to filter out those project applications that do not meet the eligibility criteria and flag up any potential for collaborative bids.
- 2.2 The Second Stage allowed a full application to be submitted by those projects that have successfully passed the eligibility criteria under the First Stage.
- 2.3 The deadline for the submission of Second Stage applications for the second application round to the 2007-13 Programmes concluded on 09 October 2009. The following requests for ERDF funding were received under the second stage of the process:

2.4 **Summary of ERDF Bids received in the 3rd round:**

Priority	No of applications Received (1 st stage)	No of applications Received (2 nd stage)	ERDF Grant Requested at 2 nd stage (£)
Priority 1: Research and Innovation	25	22	40,321,954.85
Priority 2: Enterprise Growth	21	10	9,721,794.33
Priority 3: Urban Regeneration	62	26	54,757,701.80
Priority 4: Rural Development – Challenge Round	25	10	5,699,426.00
Priority 4: Rural Development – Global Grants Body	12	4	4,143,069.00
Total	145	72	114,643,945.98

2.5 The reports of the four Advisory Groups are detailed below at Section 4 .The lists of project recommendations for each Priority and the PMC project summary for each submitted application are attached as Annexes **1A and 1B** respectively.

2.6 At Section 5 of this paper there is a financial summary for each ERDF Priority detailing the financial implications in ERDF grant terms of agreeing the various project recommendations.

2.7 Overall, and subject to this Committee agreeing to the recommendations of the four Advisory Groups, up to **£36,373,297.18** ERDF grant will be allocated in this current round.

3. Advisory Group Process

3.1 Full applications were subject to technical/eligibility checks by the IAB and appraisal by the Managing Authority, the IAB Programme Mangers, Advisory Group members and Scottish Government policy experts. The policy experts provided input in particular into the fit with the strategic policies of the Scottish Government. External stakeholder members of the Advisory Groups were appointed by the Scottish Government as the Managing Authority.

- 3.2 The respective scores of the second stage application by the 'Virtual' Advisory Group members and the IAB Programme Managers, Managing Authority and Scottish Government policy experts were collated by the IAB and the previously agreed weighting factor applied. An average overall score was then calculated and checks were undertaken to ensure that any anomalous scores were justified and did not unreasonably affect the final score and ranking. Depending upon the range of average overall scores and the numbers of overall projects, 'Standing Advisory Groups' were then requested to consider a number of projects which scored above the notional quality threshold (33) and a number below the quality threshold. This afforded the opportunity to test and validate the initial scores in an open and frank debate where Standing Advisory Group members had been selected on the basis that they had no conflict of interest in respect of the projects under consideration.

4. Advisory Group Reports

4.1 ERDF Priority 1 Advisory Group Report

- 4.1.1 A summary of the second stage applications submitted for assessment and scoring by the Advisory Group in the second round is broken down as follows:

- A total of 22 second stage applications were submitted;
- 21 applications were sent to Virtual Advisory Group members for scoring; 1 application was withdrawn prior to the start of the scoring process;
- The Standing Advisory Group discussed 11 applications;
- 13 applications are recommended for approval (subject to conditions); 4 applications are not recommended; 3 applications have been deferred; and 1 application has been withdrawn after the appraisal process;
- A total of **£9,320,030.85** ERDF grant is recommended for approval (as detailed in attached Annex 1A).

- 4.1.2 The Standing Advisory Group met on one occasion in order to assess project applications. The Group was informed that the highest score for the priority was 44.31 with the lowest score being 26.81. The average score is 38.34. The quality threshold had been set at 33. Members were asked to appraise those projects that scored between 39.5 and 31.75. The Chair informed the Group that anything above this range is recommended for approval, and anything below the range is rejected. The number of projects to be discussed totalled ten.

- 4.1.3 Prior to discussing the applications there were a number of issues highlighted which would inform the appraisal process:

Maximum Grant Rate

There are a number of projects where no match funding is being provided by the lead applicant and within the Need for Grant sections the full 45% grant intervention has been poorly defended. To enable the remaining funds to support more projects, and to encourage project sponsors to work towards a more sustainable approach to project development, it was agreed by the Advisory Group that revenue projects should be offered a maximum grant of 37%. Only where a higher rate can be fully justified will an increased amount be considered.

It was agreed that securing match funding for Capital works was more challenging, and these projects were more susceptible to overspend. Therefore, where applicable the maximum 45% was acceptable.

New-build proposal

Two proposals for new build capital projects were received in this round, LUPS/ERDF/2009/3/1/0179 and LUPS/ERDF/2009/3/1/0239. The Managing Authority, with agreement from the Advisory Group, has been reluctant to encourage and support large infrastructure projects because of the low level of remaining resources under Priority 1. However, due to the strategic importance of the two projects in relation to the Aberdeen Life Sciences sector and the Fife Energy Park the Group agreed to give these proposals careful consideration. Any future bids of a similar nature would be similarly appraised on their strategic nature and level of economic impact.

SEEKIT

Scottish Government Policy highlighted that the resources of SEEKIT for the 2010/11 financial year will be limited. It is therefore unlikely that all those applications anticipating match funding for their projects will be successful in securing SEEKIT. The timescale for applying for SEEKIT is also longer than applicants appear to be anticipating, with approvals unlikely before September 2010. The Advisory Group were mindful that funds should not be allocated to projects with little chance of SEEKIT match funding and the Managing Authority and IAB have agreed to work with the SEEKIT team to ensure that the possibility of this is minimised.

SDB Allocation

There are a number of large applications from Scottish Enterprise. The Managing Authority provided a brief update on the progress made with the Strategic Delivery Body bids. However, the Advisory Group felt that a more complete report on progress of the SDB activities and performance should be provided by Scottish Enterprise to confirm that their current allocation is being fully utilised before further ERDF is committed to their projects.

Horizontal Themes

The Advisory Group stressed that Scottish Enterprise needed to improve the quality and detail of their applications. In particular, the Horizontal Themes section of their applications has been poorly completed and if projects are to be supported the satisfactory resubmission of applications will be required to address this.

- 4.1.4 Ten projects were brought to the Standing Advisory Group who were asked to agree on which projects should be supported. It was agreed that projects would be re-ranked based on discussions and recommendations from the Group and not re-scored. As a result of the discussions it was agreed that five of the projects should be supported. However, one application has now been withdrawn (LUPS/ERDF/2009/3/1/0261) following a budget re-prioritisation process by Scottish Enterprise. Two applications were not recommended for approval mainly due to the quality of the application submitted or a poor fit with ERDF Priority 1. Three Scottish Enterprise applications have been deferred (LUPS/ERDF/2009/3/1/0246, LUPS/ERDF/2009/3/1/0225 and LUPS/ERDF/2009/3/1/0255) on the basis that insufficient supporting information was available, but the applicant should have the opportunity to submit for reappraisal through the exceptional projects procedure.
- 4.1.5 In addition one application was brought to the Standing Advisory Group as the grant requested is in excess of £1m. Due to the budget constraints for the LUPS 2007-2013 Programme, members were asked to consider the large project and recommend whether the application represented good value for money.

LUPS/ERDF/2009/3/1/0264 Edinburgh Napier University Business and Technology Hub

The Chair advised the Group that the project had already met the quality threshold and therefore did not require re-appraising.

Following discussion the Advisory Group recommended that this project should be supported. However, as noted for other Edinburgh Napier University applications, the applicant must consider streamlining their Knowledge Transfer activities to create better linkages between new and existing projects and minimise the need for separate delivery structures.

4.2 ERDF Priority 2 Advisory Group Report

- 4.2.1 A summary of the second stage applications submitted for assessment and scoring by the Advisory Group in the second round is broken down as follows:
- A total of 10 second stage applications were submitted;
 - 10 applications were sent to Virtual Advisory Group members for scoring;
 - The Standing Advisory Group discussed 5 applications
 - 5 applications are recommended for approval (subject to conditions); 5 applications are not recommended;
 - A total of **£6,975,801.33** ERDF grant is recommended for approval (as detailed in attached Annex 1A). However, PMC members should note that this figure includes a Fife Council application, LUPS/ERDF/2009/3/2/0182 East of Scotland Investment Fund which has already been agreed by the PMC through written procedure in February 2010. The amount of grant recommended for this application was £2m.

4.2.2 The Standing Advisory Group met on one occasion in order to assess project applications. The Group was informed that the highest score for the priority was 39.93 with the lowest score being 26.78. The average score is 33.53. The quality threshold has been set at 33. Members were asked to appraise those projects that scored between 36.23 and 29.35. The Chair informed the Group that anything above this range is recommended for approval, and anything below the range is rejected. The number of projects to be discussed totalled five.

Five projects were brought to the Standing Advisory Group who were asked to agree on which projects should be supported. It was agreed that projects would be re-ranked based on discussions and recommendations from the Group and not rescored. As a result it was agreed that two applications should be recommended for funding. Three applications were not recommended for approval mainly due to the quality of the application submitted or a poor fit with ERDF Priority 2. Two of the applications not recommended were seeking ERDF grant to enhance the Business Gateway offering. It was agreed that the Business Gateway Scottish Board should be approached to agree what, if any, gaps exist within the current Business Gateway contracts. Once this information is available this will be fed back to Local Authorities to inform any future applications.

4.2.3 In addition one application was brought to the Standing Advisory Group as the grant requested was in excess of £1m. Due to the budget constraints for the LUPS 2007-2013 Programme, members were asked to consider the large project and recommend whether the application represented good value for money.

LUPS/ERDF/2009/3/2/0182 Fife Council East of Scotland Investment Fund

Group members discussed this project which is seeking ERDF grant of £2m towards a £5m loan fund.

The Chair advised members that the PMC had previously asked the Managing Authority to work with partners to develop an application that would replicate the provisions of the West of Scotland loan fund project in the East of Scotland.

Members agreed that this project should be supported as evidence of demand for the loan fund is clear.

4.3 ERDF Priority 3 Advisory Group Report

4.3.1 A summary of the second stage applications submitted for assessment and scoring by the Advisory Group in the second round is broken down as follows:

- A total of 26 second stage applications were submitted;
- 24 applications were sent to Virtual Advisory Group members for scoring; 1 application was withdrawn prior to the start of the scoring process; and 1 application was rejected due to ineligible activity;
- The Standing Advisory Group discussed 17 applications
- 9 applications are recommended for approval (subject to conditions); 13 applications are not recommended; and 2 applications have been deferred;
- A total of **£11,304,811** ERDF grant is recommended for approval (as detailed in attached Annex 1A).

- 4.3.2 The Standing Advisory Group met on one occasion in order to assess project applications. The Group was informed that the highest score for the priority was 42.71 with the lowest score being 27.48. The average score is 36.50. The quality threshold has been set at 33. Members were asked to appraise those projects that scored between 34.58 and 33. The Chair informed the Group that anything above this range is recommended for approval, and anything below the range is rejected. In addition, there are a number of applications where there are significant technical and eligibility issues and these applications have been selected for further discussion. There are also a number of applications seeking support for business space, three within a close geographical proximity of each other, and these applications have been selected for further review of the evidence of demand case presented. The number of projects to be discussed totalled seventeen.
- 4.3.3 Prior to discussing the applications, there were a number of issues highlighted which would inform the appraisal process:

Changes to the Operational Programme

The Chair informed members that the changes to the Operational Programme had now been agreed by the Commission and details of the changes are available on the ESEP web-site. He highlighted that the changes allow for more capital spend than previously allowed but they also now introduce more substantial State Aids and Revenue generation (Article 55) issues which the Managing Authority and the IAB will need to manage in terms of projects recommended for approval. He also highlighted the caveat for projects submitted under the revised scope of ERDF P3 i.e. the proposed development must form a component part of an integrated urban development plan.

JESSICA Update

The Chair provided the group with an update on the JESSICA Fund. The majority of the co-finance for the Fund is now in place and the Holding Fund has been agreed in principle but the Funding Agreement has still to be signed. In addition, the Holding Fund Manager is now in place. The Chair advised that some of the projects within this round may be signposted to the JESSICA fund if it was deemed a more suitable route.

Renewable Energy Fund

The Chair also advised group members of the possibility of setting up a holding fund (which would sit along side the JESSICA fund and utilise the same structure) to provide loan finance for large scale renewable energy infrastructure projects. Scottish Government would co-finance the fund along side ERDF. Although generally supportive of this proposal members agreed that it would be important for the relevant Policy discussions to take place within Scottish Government and with the Commission. If such a fund was created this may be a more suitable route for funding for some of the larger scale renewable energy projects submitted within this round.

Priority Performance

The Chair provided the group with an update on physical performance information for ERDF P3. The Priority is currently over-subscribed in the following indicator targets i.e. Job Brokerage, ICT/E-learning facilities, childcare facilities and business space. The Priority is currently under-subscribed in the following indicator targets: Transport Hubs and Renewable Energy. However, the Chair highlighted that this information is based on forecast targets within application forms and there may be some optimism bias on the part of project sponsors.

- 4.3.4 Seventeen projects were brought to the Standing Advisory Group who were asked to agree on which projects should be supported. It was agreed that projects would be re-ranked based on discussions and recommendations from the Group and not rescored. As a result it was agreed that five applications should be recommended for funding. Ten applications were not recommended for approval mainly due to technical eligibility issues and/or a lack of evidence of demand and poor value for money. Two applications were deferred.
- 4.3.5 Two of the applications not recommended for support (LUPS/ERDF/2009/3/3/0192 and LUPS/ERDF/2009/3/3/0263) had been submitted within the scope of 'support for energy production from renewable energy and low carbon technologies in response to local energy needs, such as co-generation and distribution energy systems (such as district heating and CHP projects)'. The Advisory Group acknowledged that there were significant State Aids issues with these two applications which required to be addressed. In addition, it was felt that these projects were not sufficiently innovative in order to recommend them for support. It was agreed that a speculative model would be drawn up with input from relevant Policy individuals with a view to commissioning a larger scale energy production project which would fit within the scope of ERDF P3. Input would also be sought from the State Aids unit to ensure that the model devised is state aids compliant.
- 4.3.6 Two applications were deferred (LUPS/ERDF/2009/3/3/0269 and LUPS/ERDF/2009/3/3/0187) on the basis that these applications were contingent on Phase 2 of the recently published 'National Renewables Infrastructure Plan'. The report, published on 4 February 2010, identifies 11 potential sites for renewables infrastructure and Fife (Energy Park at Methil) and Dundee are both listed as potential sites within the report. However, there will be further prioritisation of these sites within the Phase 2 report and this will be published in June 2010. The Advisory Group therefore deferred a decision on these applications until the publication of the Phase 2 report. However, it was agreed that the Fife Energy Park application (LUPS/ERDF/2009/3/3/0269) had achieved a higher score and if the regeneration links could be strengthened could potentially be supported. In contrast, the Dundee Waterfront application (LUPS/ERDF/2009/3/3/0187) had a lower score and had significant technical and eligibility issues. Group members acknowledged that in its current form it would be difficult to support this project. It was felt that this project may be more suitable for the JESSICA fund but the lack of revenue generation potential would be problematic. It was agreed that once the Phase 2 report had been published that the Advisory Group would be informed and a way forward for these two projects would be agreed.

- 4.3.7 In addition two applications were brought to the Standing Advisory Group as the grant requested was in excess of £1m. Due to the budget constraints for the LUPS 2007-2013 Programme, members were asked to consider the large projects and recommend whether the applications represented good value for money. The Chair advised the Group that the projects had already met the quality threshold and therefore did not require to be re-appraised.

LUPS/ERDF/2009/3/3/0201 City of Edinburgh Council Incubate to Regenerate

The Group were broadly comfortable with this project, however did raise some issues which they would want to be taken forward with the project sponsor. The application contained a proposal for a green lease scheme which members were keen should be taken forward. The Group also commented that the Partnership section of the application could have been stronger and in particular the relationship with Forth Sector. The IAB will take this forward to ensure that this section of the application is strengthened. The group also commented that as the application contains three individual projects the phasing of these projects will be important and that the application should contain more information in this regard. The Group agreed that this project should be supported.

LUPS/ERDF/2009/3/3/0205 Strathclyde Partnership for Transport Redevelopment of Dalmarnock Rail Station

The Group acknowledged that this project fits with the National Planning Framework for Scotland. Members also commended that this project provides a crucial transport element for the Commonwealth Games.

However, members also acknowledged that the lead sponsor of the project may change i.e. Transport Scotland may take over this role. In addition, group members also highlighted that costs may reduce and if this is the case then discussions will need to take place with the lead sponsor to ensure that they are aware of the possibility of a commensurate reduction in grant. The potential SME benefits should also be strengthened. The Group agreed that this project should be supported.

4.4 ERDF Priority 4 Advisory Group Report (Including GGB Applications)

ERDF P4

- 4.4.1 A summary of the second stage applications submitted for assessment and scoring by the Advisory Group in the second round is broken down as follows:
- A total of 10 second stage applications were submitted;
 - 10 applications were sent to Virtual Advisory Group members for scoring;
 - The Standing Advisory Group discussed 8 applications
 - 6 applications are recommended for approval (subject to conditions); 4 applications are not recommended;
 - A total of **£4,629,585** ERDF grant is recommended for approval (as detailed in attached Annex 1A).

- 4.4.2 The Standing Advisory Group met on one occasion in order to assess project applications. The Group was informed that the highest score for the priority was 41.96 with the lowest score being 27.96. The average score is 37.15. The quality threshold has been set at 33. Members were asked to appraise those projects that scored between 41.96 and 35.33. The Chair informed the Group that anything above this range is recommended for approval, and anything below the range is rejected. The number of projects to be discussed totalled eight.
- 4.4.3 Prior to discussing the applications, there were a number of issues highlighted which would inform the appraisal process:

Changes to the Operational Programme

The Managing Authority confirmed that the proposed changes to the Operational Programme had now been approved by the Commission. This has increased the scope of Priority 4, in particular with the ability to support projects that recognise the economic importance of Scotland's natural and cultural assets.

The changes have brought the opportunity for private sector contributions to be considered eligible as match funding, although this may afford greater benefits to projects under other Priorities.

Rural Development Scoping Workshop

A scoping workshop was held by the IAB in December 2009. This event brought together rural stakeholders in an attempt to identify the major difficulties that applicants faced in developing Priority 4 projects and what opportunities there were to overcome these. Breakout sessions also provided attendees an opportunity to discuss ideas for broadening the type and scope of projects that could be supported under the Priority within the confines of the current eligibility criteria.

One suggestion for stimulating activity was for the Managing Authority to consider accepting those activities supported in Priorities 1 and 2 within a rural context under Priority 4. However, following the event the feedback from the Commission on this point has suggested that this approach would not be acceptable.

- 4.4.4 Eight projects were brought to the Standing Advisory Group who were asked to agree on which projects should be supported. It was agreed that projects would be re-ranked based on discussions and recommendations from the Group and not rescored. As a result it was agreed that six applications should be recommended for funding. Two applications were not recommended for approval mainly due to technical eligibility issues and/or a poor fit with ERDF P4.
- 4.4.5 Concerns were raised over the nature of some activity that appears in application LUPS/ERDF/2009/3/4/0296. Taking account of the previous advice from the Commission about activities supported in other Priorities, support for a business development grant scheme was not considered appropriate under Priority 4. Therefore, the application could not be recommended for support on this basis.

4.4.6 The Chair highlighted that ERDF could not be used to fund the Angus College application LUPS/ERDF/2009/3/4/0206. Following recent clarification from the European Commission under the regulations contributions to Further Education infrastructure cannot be provided under ERDF Priority 4 to projects where the nature of support will result in training and skills facilities provision. Therefore the Managing Authority has rejected the proposal on this basis.

ERDF P4 – South of Scotland Global Grants Body (GGB)

4.4.7 A summary of the second stage applications submitted for assessment and scoring by the Advisory Group in the second round is broken down as follows:

- A total of 4 second stage applications were submitted;
- 4 applications were sent to Virtual Advisory Group members for scoring;
- The Standing Advisory Group discussed 4 applications
- 4 applications are recommended for approval (subject to conditions);
- A total of **£4,143,069** ERDF grant is recommended for approval (as detailed in attached Annex 1A).

4.4.8 The Standing Advisory Group met on one occasion in order to assess project applications. The Group was informed that the highest score for the priority was 43.50 with the lowest score being 39.5. The average score is 41.61. The quality threshold has been set at 33. However, as all the applications had scored well above the quality threshold it had been agreed that all applications would be discussed. The number of projects to be discussed totalled four.

4.4.9 Prior to discussing the applications submitted there were a number of issues highlighted which would inform the appraisal process:

South of Scotland Global Grants Body (GGB) Update

An update on the progress made to date with the South of Scotland GGB under ERDF Priority 4 was provided by the Managing Authority.

9 applications were approved in the first round of funding (2008/9) to the value of £4.16m. At the recent JMB meeting, it was recognised that the level of bids in the current round were lower than the first, although the level of grant support was higher.

ERDF P4 Changes

Members noted that on 22 January 2010, the European Commission formally approved the expansion of the scope points for priority four and the use of private sector match funding, with immediate effect.

Article 55: Revenue Generating Projects

The group noted the Managing Authority (MA) had discussed this issue internally and externally with regard to the specific regulatory provision (article 55 of 1083/2006 and European Commission Information Note To The COCOF: Guidance Note On Article 55 OF Council Regulation (EC) NO 1083/2006: Revenue-Generating Projects).

The Managing Authority confirmed that it was planning to finalise further advice on the appropriate time frame for consideration of future cash flows and that the applicants whose projects were under consideration that day, had been advised to prepare these as estimates for up to five years after the completion of the project (in line with guidance para 4.1) The Managing Authority also confirmed that it was considering mechanisms for adjusting rates in case monitoring reveal “important discrepancies between the revenue initially estimated and, the revenue which will be realised in the end.”

- 4.4.10 Four projects were brought to the Standing Advisory Group who were asked to agree on which projects should be supported. As a result it was agreed that all four applications should be recommended for funding. However, for three of the applications recommended for approval there was further information to be provided. Members agreed that the GGB would request further information for LUPS/ERDF/2009/2/6/0163, LUPS/ERDF/2009/2/6/0163 and LUPS/ERDF/2009/2/6/0161. Once received this information would be reviewed by the GGB and the Managing Authority.
- 4.4.11 Members noted that the total ERDF committed to those projects recommended for approval subject to clarification on a number of issues was £4,143,069. If all those projects were ratified by the Programme Monitoring Committee and Scottish Ministers this would leave £10,692,358 ERDF available for future rounds in the South of Scotland Global Grants LUPS Priority 4 programme.
- 4.4.12 Members noted that a Workshop was being held on the 25 February 2010, at Easterbrook Hall, Dumfries with the aim of facilitating joint working to develop potential project ideas.

5. Implications of Approving Advisory Group Recommendations

5.1 The implications of approving the Advisory Group recommendations are summarised in the table below:

Priority	Total Grant Allocation* (£)	Approved Grant Commitments to date (£)	Available Allocation for 3rd Round (£)	Value of 3rd round bids recommended for approval (£)	Remaining Balance after 3rd Round (£)
Priority 1: Research and Innovation	82,898,704	66,828,657	16,070,047	9,320,030.85	6,750,016
Priority 2: Enterprise Growth	109,967,669	71,180,169	38,787,500	6,975,801.33	31,811,699
Priority 3: Urban Regeneration	91,357,756	16,470,153	**39,887,603	11,304,811.00	28,582,792
Priority 4: Rural Development	46,017,241	11,932,541	34,084,700	8,772,654.00	25,312,046
Priority 5: Technical Assistance	8,120,689	4,205,982	3,914,707	0	3,914,707
Total	338,362,059	170,617,502	132,744,557	36,373,297.18	96,371,260

*An average exchange rate of 1 EURO = £0.90 or £1 = 1.111 has been used.

**A figure of £35m has already been ring-fenced (although not yet formally approved by ministers) for the forthcoming JESSICA Fund and associated infrastructure projects.

6. Recommendations

6.1 The Committee is invited to:

- 6.1.1 agree in principle the recommendations for this current round of ERDF applications, on the basis of the quality thresholds proposed, as detailed in attached **Annexes 1A and 1B**;
- 6.1.2 note and agree the Advisory Group reports summarised at section 4 above;
- 6.1.3 note the level of commitments for each Programme Priority as detailed at section 5.1 above;
- 6.1.4 acknowledge the considerable work carried out by the respective Advisory Groups in appraising these project applications.

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