Generating successful projects, developing and managing the project pipeline

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Successful projects:

- Operations that contribute to specific objectives and results of priority

- non-discriminatory; horizontal principles (equality, sustainable)

- delivered as agreed and respect rules

Article 125, CPR

European Commission

1. Strategy, regional & thematic priorities, choice of programmes

2. Priority axes, investment priorities, project possibilities

3. Institutional structures, procedures, planning, timescales

4. Publicity & information requirements and needs

5. Developing project ideas, building partnerships

6. Co-financing rates, financial packages

Steps in the project pipeline (2)

European Commission

7. Project development and ex-ante appraisal of projects

8. Eligible expenditure

9. Applications and selection

10. Project delivery

11. Programme management & monitoring, control & audit

12. Indicators and evaluation; programme closure; programme cycle

EUROPE 2020

A European strategy for smart, sustainable and inclusive growth

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1. priority axes have investment priorities; financial allocations must be justified

2. investment priorities have specific objectives, expressed in terms of results

3. projects to follow the intervention logic

4. coordination between Funds: synergies within OP?
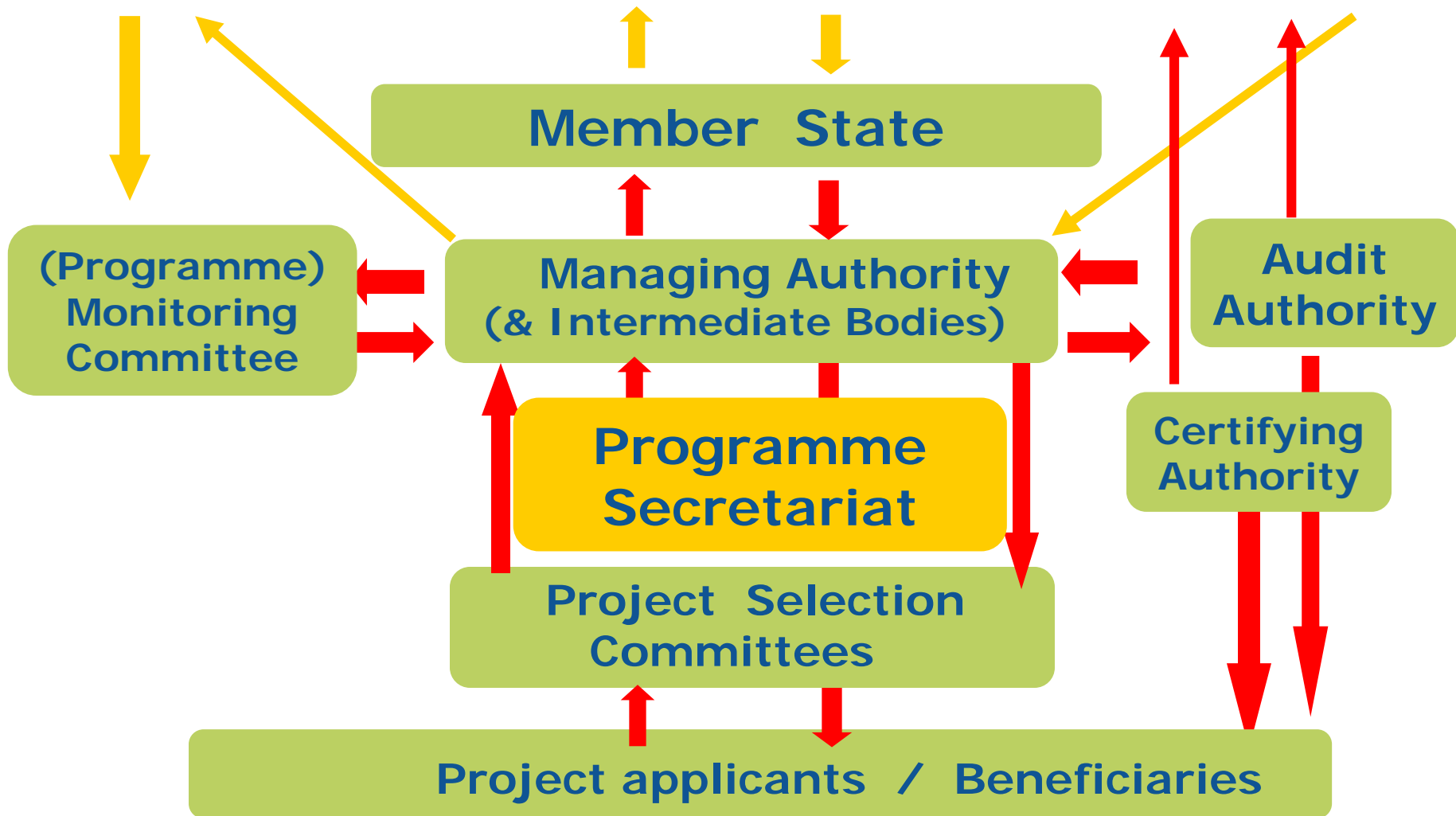
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1. management structures →

2. cooperation between Ministries, and with regions

3. systems and procedures; good planning

4. institutional capacities: administration, public procurement , state aid rules, etc.

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–7

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Member State

(Programme) Monitoring Committee

Managing Authority (& Intermediate Bodies)

Audit Authority

Programme Secretariat

Certifying Authority

Project Selection Committees

Project applicants / Beneficiaries

1. rules and requirements

2. benefits of good publicity – are you reaching all stakeholders? Are they aware of the programme priorities? Do you know the potential beneficiaries?

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- basic rules now in the CPR, and not just the Commission Implementing Regulation, enhancing their role

  - *inform potential beneficiaries of funding opportunities*

  - *each Member State to have a single Cohesion policy portal or website - how to access all OPs...timing of implementation...*

- …and publishes a list of beneficiaries, with project information and finances, updated, accessible, (multi-lingual)

- programme launch ; annual event; plaques and billboards for projects; letterheads…

- Communication Strategy; Contact officer in network

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–10

1. engaging stakeholders

2. Europe 2020 themes

3. encouraging the partnerships

4. types of agreement

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➢ In order to bring partners together and generate ideas, the MA (IBs) should play an active role:

• organise targeted seminars

• encourage Europe 2020 themes / innovative approaches / ideas from the ground…

• scan the market for potential projects, or

• call for pre-proposals →

• possibly create "Project Advisory Groups" for all stakeholders

• play an active role as broker, especially in specific local areas

European Commission
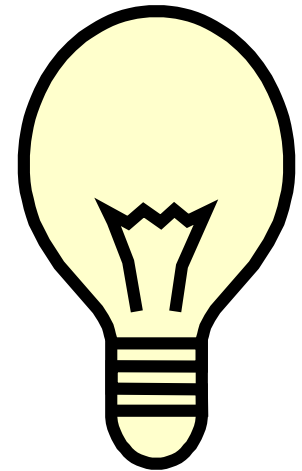
1. **Building wider support**, security, sustainability

2. **Roles**: who is needed to do what? Leader, decision-makers, financial input, institutional associations, agency links, target groups?

3. How to **select** partners? Type of search?

4. **Suitability of partners**: skills, capacity, experience, reputation?

5. **Type of agreement**: informal, contract, establish a new body?

1. co-financing rates

2. state aid ceilings

3. finding the finance

–14

co-financing rates and ceilings (Art. 120, CPR)

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- co-financing rate ceiling – by eligible region - is now set at the level of *priority axis, not programme* (85%-80%) (60%) (50%)

- priority axis co-finance minimum is 20%. These are effectively *averages* for the priority

- some exceptions to regional ceilings (+10%) where priority axis delivered through financial instruments or CLLD (community-led local development) (Art. 120, CPR)….

- …or where MS dedicates priority axis to social innovation or transnational cooperation or combination (Art. 11, ESF regulation)

- and crisis exceptions: extra 10% until 30.6.2016 (Art. 24, CPR)

- state aids rules are co-finance limits for company support

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–15

State aid ceilings, 2014-2020

	Large Enterprises	Medium Enterprises	Small Enterprises
107(3)(a) ≤ 45% GDP	50%	+ 10%	+ 20%
107(3)(a) 45-60% GDP	35%	+ 10%	+ 20%
107(3)(a) 60-75% GDP	25%	+ 10%	+ 20%
Outermost, GDP > 75% GDP < 75%	+ 10% + 20%	+ 10%	+ 20%
107(3)(a)=>(c) transition & 107(3)(c) bordering (a)	Below +	+ 10%	+ 20%
107(3)(c) sparsely populated	15%	+ 10%	+ 20%
107(3)(c) external borders	15%	+ 10%	+ 20%
107(3)(c) other econ. dev.	10%	+ 10%	+ 20%

Information : Guidelines on regional State aid for 2014-2020 (2013/C 209/01)

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- ➤ 85% EU? National 10%? finding just the last 5% locally?

- ➤ other co-financing of project?

- ➤ manage private sector involvement in the project?

- ➤ *if you have no local finance, the project is probably not feasible nor sustainable...it is likely to fail*

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1. project development and design steps...

2. ...should reflect ex ante project appraisal criteria...

3. ...which should be included in the project application form / project selection criteria

4. applications should be assessed on those same appraisal criteria

5. Major Projects

1. EU and Fund common rules

2. national rules

3. simplified cost options

4. revenue generating project?

Article 61, CPR:…generating net revenues <u>after</u> their completion (and potentially also during implementation) (CF/ERDF)

(See also Arts. 15 to 19 of Delegated Regulation (EU) No 480/2014)

Article 65.8, CPR: …generating net revenues <u>during</u> their implementation (ERDF/CF/ESF)

(But not where total eligible costs under €50,000)

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Remember also:

- *project selection rules must be followed*
- *state aid rules must be followed*
- *public procurement rules must be followed*
- *publicity rules must be followed*
- *the project must be operational*
- *documentation retention*

1. calls for proposal and applications

2. project selection: **how does your project contribute to the objectives of the priority and results?**

3. good practice

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- MA / IB will issue a time-specific call for proposals; or have ongoing proposal period

- *or may choose the procurement method…*

- Result-based management: call for proposal might ask for results - "bottom-up" ideas of how to achieve that

- the application form will contain the criteria upon which the project will be assessed

- an efficient programme secretariat will assist with aspects of the application - dialogue within the rules

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1. The lead Ministry may dominate it
2. An agency of government (intermediate body) may dominate it
3. Representatives of regional authorities / counties

   - *PARTNERSHIP /CODE OF CONDUCT:*

4. Representatives on behalf of horizontal themes
5. Other stakeholders

PSC must use SELECTION CRITERIA; procedure transparent

- applications should be acknowledged and registered

- how long to select / decide and respond?

- transparent, objective procedure?

  - automatic qualification on basis of minimum criteria?

  - first come, first served?

  - selection of limited number of successful applications?

–25

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1.	Notify the Commission, with quality review undertaken by independent expert (IQR report) (expert to be agreed with Commission)
2.	Submission of Application Form to the Commission. Form, with appraisal/CBA, for approval by the Commission

1. the grant letter and execution contract

2. the lead partner and responsibilities

3. management systems and tools

4. payment claims and progress reports

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–27

Grant Letter and Execution Contract outline:

- project description & timetable
- **physical targets (outputs and contribution to specific objective & results)**
- budget, financial breakdown, co-financing rate and grant and grant ceiling
- monitoring & reporting obligations (€ & physical progress)
- control requirements – verifiable expenditure made
- follow EU laws on procurement etc.
- obligations on publicity activities (EU logo / flag etc.)
- file-keeping, records, preserve audit trail
- project must be operational at least 5 years after last payment following completion

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- Start with a good (mostly unilateral) contract, between the MA (IB) and the applicant

This is a perfect place for MA's to put the pressure on the project applicants:

Add specific requirements...

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- project applicant is the lead beneficiary, and the beneficiary

- responsible for project completion

- responsible for claims and payments

- dealing with project partners

- contact with MA

- they are the « champion »

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1. Managing Authority (or IB) relationship to beneficiaries

2. Management tools; monitoring data

3. (Programme) Monitoring Committee

4. Management verifications and risk assessment

5. control and audit

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1. how are you measuring progress and success of projects (and programmes)? - monitoring indicators and evaluation – *who collects data, when, how?*

2. closing projects and programme closure

3. evaluation lessons → new programmes and projects