

## **Economic Development Committee EDC-11-00 (p7)**

**Date: 22 June 2000**

**Venue: National Assembly for Wales, Committee Room 1**

**Title: Objective 1 - Update**

### **Purpose**

This paper provides further information on preparations for the Objective 1 programme. An oral report will be given on the outcome of the shadow Monitoring Committee which meets on Tuesday 20 June.

### **Background**

2. Formal Commission approval of the SPD is still expected in early July.
3. The principal matters to be discussed by the shadow Monitoring Committee concern the following.

### **Lead Bodies**

4. It will take time to establish "Accountable Bodies" with delegated project and financial management responsibilities. In the meantime, it is important to preserve the strategic Action Plan approach to Objective 1, to provide partnerships with the administrative back-up needed to develop and implement Plans, and to secure an orderly launch of the programme. The shadow Committee is being asked to agree the authorisation of "Lead Bodies" with lesser responsibilities than envisaged for Accountable Bodies, but with the means to co-ordinate activities on behalf of partnerships.
5. The formation of partnerships would still follow strictly the "one-thirds" guidance endorsed by the Assembly. Each partnership would nominate a "Lead Body" to carry out a range of administrative functions on its behalf. Appointment of Lead Bodies would require the approval of WEFO.

### **Functions of Lead Bodies**

6. Working within the partnership, the Lead Body would:

- develop an Action Plan for consideration by WEFO and, where appropriate, by the Monitoring Committee;
- establish management systems to implement the Action Plan: to promote development of partnership projects within that Plan: and to make recommendations to WEFO on those projects requiring funding;
- act as the focal point for all enquiries from those within the relevant sector or geographical area wanting access to the funds;
- introduce fair and objective project appraisal systems for all projects seeking funding and make consequential recommendations for support of these to WEFO;

These arrangements would allow partnerships to develop and implement Action Plans in most respects. The important difference would be that the **formal** appraisal of all funding proposals, as well as the commitment of funds, would remain the responsibility of WEFO. In effect, WEFO would act as the "accountable body" for the programme until alternative arrangements were in place.

7. Partnerships and their Lead Bodies would organise the initial appraisal and ranking of projects arising from their Plans. They would act similarly in respect of bids and proposals they might receive from other sources. Named WEFO staff would take responsibility for liaison with each partnership and participate in this appraisal process. In this way, expert advice would be available to partnerships as projects and plans were developed for formal submission to WEFO. These arrangements would have to reflect the SPD's provisions on the handling of potential conflicts of interest within partnerships. The Lead Body would have responsibility for informing project applicants why particular bids were unsuccessful and for agreeing with WEFO an appropriate appeals mechanism.

8. If implemented, these recommendations would offer distinct advantages by:

- retaining the strategic Action Plan approach to the programme;
- fostering the development of partnerships and plans already in train;
- allowing partnerships at regional and local level proper influence over the development, prioritisation and appraisal of plans and projects in their sector or geographical area;
- offering a recognised structure and organisation for handling the interests of the many bodies outside partnerships seeking access to the funds.

9. These would be transitional arrangements. Over time, and when

ready, Lead Bodies would be free to assume progressively greater responsibilities, leading to their approval as authorised "Accountable Bodies" for the programme.

## Technical Assistance

10. Whilst less onerous than those envisaged for Accountable Bodies, the administrative functions required of a Lead Body would remain significant. Technical assistance support is likely to be needed.

11. The shadow Committee is being recommended that, when the programme is open in July, each Lead Body would be free to apply for European technical assistance up to a ceiling of £100,000 (assuming a 50% grant rate) to cover additional staff and resources required to take forward the programme. Retrospection for expenditure would apply to 1 July. Eligibility rules will require that additionality must be demonstrated to qualify for technical assistance.

## Programme Launch

12. The Working Group recommendation to the shadow Committee is that the programme should be launched on a "shadow" basis in advance of the Commission's approval of the SPD to allow partnership proposals to be developed and submitted by end September. This would entail (Annex A):

- announcement of programme launch at end-June;
- publicity and detailed guidance to issue on the same day;
- partnerships to submit outline Action Plans by end-September. Retrospection would be to 1 July;
- Action Plans would set proposals in a strategic context, but would provide firm applications only for schemes and projects for which funding approval is sought in Year 1 ie projects which sponsors are confident will start during this calendar year. Projects with low probability of early expenditure, especially if combined with high commitment value, would be encouraged to wait for a subsequent round;
- potential project applicants would be asked to discuss their proposals with the appropriate Lead Body for the geographical area or sector concerned. The relevant partnerships would undertake to give these full consideration in the development and implementation of Action Plans;

- named WEFO staff would liaise with each partnership. They would assist partnerships with advice on management of the round and on the handling

and appraisal of applications. This would directly help the work of Lead

Bodies but also shorten the time-scale for formal appraisals by WEFO at

end September;

- single projects, notably major projects requiring dedicated handling outside the scope of Action Plans, would remain the responsibility of WEFO.

## **Pre Summer Approvals**

13. This launch timetable would see the major flow of applications coming forward at the end of September. The shadow Committee will consider whether certain of these projects might be the subject of accelerated submission and approval before the end of July. The aim would be to identify key projects which partnerships felt merited priority as being important for the programme as a whole or for the sector or locality concerned. Given the constraints, these would be limited in number - perhaps to one project or scheme per Action Plan partnership.

14. Pre-summer commitments will require Monitoring Committee agreement of a Programme Complement. As this will not be fully completed until the Autumn, discussions are in hand with the Commission to establish their minimum requirements to support a range of approvals during July.

## **Regional - Local links**

15. Consideration is being given by partnerships to the relationship between

plans at the local and regional level. The shadow Committee is being asked to agree, in the interim, that:

- local partnerships in September should be invited to put forward comprehensive Action Plans, with no restriction on sector coverage;
- in their appraisal of plans and projects in early Autumn, WEFO should consult partnerships where there was a potential conflict between plans at different spatial levels.

16. The proposal is that, in developing their respective plans, there should be effective

consultations between partnerships at regional and local level to discuss areas of potential disagreement and to evolve implementation arrangements that best meet programme needs. To facilitate this, the WLGA will arrange provision of comprehensive information on the coverage of local Action Plans. Progress reports on regional plans are also being assembled.

**SPD Requirements**

17. The SPD requires that:

".. at its first formal meeting, the Monitoring Committee will receive a report from the Secretariat which will set out their best estimate of anticipated operations for the rest of the calendar year 2000. The report will include a list of the expected and identified operations, where these are possible to be identified, and the expected outputs to be achieved by the end of the calendar year."

WEFO will present this report to the Monitoring Committee on 21 July though, at the launch point of the programme, there will be obvious limitations on the detail that can be provided.

18. The Monitoring Committee is expected to consider on 29 June the financial framework within which the launch, including pre-summer approvals, should be managed. In the interim, no limitation is proposed on the number or value of bids to form part of the launch process.

**Secretariat**

**June 2000**

**ANNEX A**

Monitoring Committee	WEFO	Lead Body/Partnerships
<p><b>29 June</b> Considers:</p> <ul style="list-style-type: none"><li>* Provisional Programme Complement</li><li>* Financial Framework for first round</li><li>* Progress report on fast-track projects</li></ul> <p><u>Agrees:</u></p> <ul style="list-style-type: none"><li>* Guidance on partnership formation, content of Action Plans, role of Lead Bodies, projects appraisal process and methodology</li></ul> <p><u>Agrees</u></p> <ul style="list-style-type: none"><li>* Launch publicity →</li></ul>	<p><u>Announces</u></p> <ul style="list-style-type: none"><li>* Launch arrangements</li><li>* Issues all relevant guidance</li></ul>	<p><u>Continue work on:</u></p> <ul style="list-style-type: none"><li>* Outline Action Plans</li><li>* Projects for Year 1</li></ul>

		* Circulates provisional Programme	* fast-track projects
		Complement	
<b><u>June-July</u></b>	-	* Bilaterals with Lead Bodies * Advise on fast-track projects	Submit fast-track projects
<b><u>Mid July</u></b>	-	Appraise fast-track projects	-
<b><u>21 July</u></b>			
<u>First Formal Meeting:</u>			
* Approves provisional Programme			
Complement			
* Considers Secretariat report on Year 1			
* Consulted on fast-track package		Decisions on fast-track projects	
<b><u>Late July</u></b>		Announces Fast-Track	Notified of outcome
<b><u>July-September</u></b>	-	* Attends partnership groups * Advises on plans/projects * Participates in partnership	<u>Continue work:</u> * Action Plans * Projects for Year 1
		appraisal working groups	
<b><u>End September</u></b>		Receives bids	Submit bids
* Approve final Programme Complement			
<b><u>Oct/Nov</u></b>		* Appraises plans/projects * Consults regional partnerships	
<u>Consulted on:</u>			
* Plans/projects			
		on 'spatial' issues	
* Relationship between regional local		* Advises Monitoring Committee on	
plans		regional/local relationships	
<b><u>End Nov</u></b>			
<u>Consulted on:</u>		* Finalises package	* Notified of outcome
Year 1 package		* Announces package	