

Date: 27 June 01
Time: 2.00-5.30pm
Venue: Committee Room 1 National Assembly for Wales Building
Title: Structural Funds Reporting

STRUCTURAL FUNDS REPORTING

Summary

1. The attached paper outlines proposed procedures for the reporting of progress with the implementation of structural funds programmes to the Committee.
2. Monitoring and evaluation arrangements for the Structural Funds Programmes are governed by Commission Regulation and the implementation chapters in the Single Programme and Operational Programme Documents.
3. The Programme Monitoring Committees (PMCs) have a duty to ensure the effectiveness and the quality of the implementation of their respective Programmes. To this end they are required to review periodically the progress made towards achieving the specific objective of the programmes.
4. The Commission Regulation requires WEFO to produce regular reports to a pre determined format and frequency, initially for the approval of the PMCs, before submission to the Commission It is proposed that there should be a separate and independent system of reporting progress on the implementation of structural funds to the EDC at regular intervals.

Recommendation

5. That the Committee agrees the attached paper as the basis for future reporting on structural funds.

WEFO
May 2001

STRUCTURAL FUNDS REPORTING : EDC 08-01 PHYSICAL AND FINANCIAL MONITORING OF OBJECTIVE 1, 2 and 3 PROGRAMMES FOR 2000-06

Background

1. The monitoring and evaluation requirements of the Objectives 1, 2 and 3 Programmes are

governed by Articles 36-43 of EC Regulation 1260/1999 and the implementation chapters of the respective Programming Documents. The quality and effectiveness of the implementation of the Programmes is assessed by measuring progress towards achieving the financial and impact indicators defined in the Programme Documents. In general the various implementation monitoring reports are required to be examined and approved by the Programme Monitoring Committees before they are submitted to the Commission. These reports, which can also be made available to the EDC, are outlined at Annex 1.

2. In the majority of cases the formal reports are put before the National Assembly (EDC) for information and discussion. There is inevitably a constraint on the formal reporting of the progress of programmes to EDC either because reports have not been formally submitted to or approved by the PMCs or because there is insufficient time between meetings of PMCs and the next meeting of the EDC to allow suitably updated material to be prepared.

Proposed Supplementary Reporting Arrangements

3. A separate supplementary procedure for reporting to EDC is proposed. The reports would be produced specifically for EDC and would have the benefit of reporting on all structural fund programmes and by not being constrained by the PMC meeting timetable and EC reporting regulations will enable a more considered analysis of structural fund activity across Wales
4. It is proposed that the supplementary reporting procedure will comprise a regular quarterly progress report on the progress of all structural fund programmes. The timetable is to be agreed by the EDC but reports in January, April, July and October would seem appropriate.
5. The quarterly report will be based upon latest available data on commitments, payments, match funding and outputs at measure level and reported by Priority or for Objective 1 grouped by the four strategic elements of Business Assets, Community Assets, Rural Assets and Human Resource Assets.
6. For clarity, where possible, the data will be presented in graphical and tabular form. Annex 2 includes examples of the type of presentation contemplated.

Other Reports

7. Minister for Economic Development Regular Report – the Minister’s report to the committee will continue to include headline data on Structural Fund progress as appropriate.
8. PMC Chair’s Reports – PMC Chairs will continue to make brief oral reports on the outcome of PMC meetings at the next most convenient ED meeting. (The EDC Clerk will draw member’s attention to the availability of PMC papers before each meeting)
9. Individual Projects – Information on individual projects is available to members on the WEFO website.
10. Other reports and advice on specific subjects as and when appropriate.

Timetable

11. An annual indicative timetable setting out the proposed frequency of reporting to the EDC is set out at annex 3.

Resource Implications

12. There are resource implications in the preparation of the additional quarterly reports but the monitoring data that will form the basis of the reports is already collected by WEFO as part of ongoing programme management and as a basis of the formal reports required by the Commission and PMCs. It is anticipated, therefore, that the supplementary reports can be accommodated within existing staff resources.

Recommendation

13. It is recommended that the Committee adopt the proposed supplementary reporting procedures.

WEFO
May 2001

ANNEX 1

PHYSICAL AND FINANCIAL MONITORING OF OBJECTIVE 1, 2 and 3 PROGRAMMES FOR 2000-06 Programme Progress Reporting to PMCs and the Commission

Reporting to PMCs

1. To enable PMCs to monitor the decommitment rule set out in the Regulations the latest target of grant drawdown for each fund is compared regularly with that drawn down to date.
2. Reports are made to each PMC on grant committed and paid to the sponsors by Priority, Measure and Fund and include average grant rate and grant draw down from the Commission enabling the Committees to monitor the progress of the Programme against the financial tables set out in the Programme Complement.

Progress Monitoring

3. WEFO is required to monitor closely the achievements of each project to establish the physical progress of the Programme. Each project is set specific targets agreed with the sponsor during the assessment of applications. Information on progress in meeting project targets will be collected on payment claim forms. These indicators form the evaluation framework for the Programme. Reports are to be made to each PMC on the progress of each Priority and Measure compared with the targets set for the activity, results and impact indicators; also included will be detail of progress in respect of the cross cutting themes of Equal Opportunities, Information Society and Environmental Sustainability.

Annual Implementation Reports

4. Article 37 of the Regulations requires WEFO to prepare an Annual Implementation Report for each full calendar year of the Programme's implementation. The report will be forwarded to the Commission within 6 months of the end of each year of implementation. The report will be examined and approved by the Monitoring Committee before it is sent to the Commission. The first reports for Objectives 1 and 3 are due by 30 June 2001.

5. The Reports are required to cover:

- changes in the socio-economic situation of the Programme area which is of relevance to the implementation of the Programme;
 - progress in implementing the priorities and measures in relation to their specific targets;
 - the financial implementation of the Programme;
 - the steps taken by WEFO and the Monitoring Committee to ensure the quality and effectiveness of implementation;
 - the steps taken to ensure compatibility with Community policies, and
 - the progress on financing of major projects and global grants.
- report on the progress of the financial control visits.

After this review the Commission may make recommendations to the managing authority for adjustments to improve the programme monitoring or management arrangements.

Final Report

6. A final report on each Programme is to be submitted to the Commission within six months of the final date of eligibility of expenditure. These will contain similar information and be subject to procedures as for annual reports.

Annual Monitoring Business Plan

7. Within three months of each year-end, the Monitoring Committees receive an annual Monitoring Business Plan. This reports on actual progress during the year together with a report on anticipated operations to take place in the next year of the Programmes' implementation.

8. To demonstrate that the Programme is progressing as planned the report sets out estimates of commitment and payment for each year against each measure, and subsequent reporting of actual outturn in terms of commitments, payments and outputs against targets.

Equal Opportunities

9. The programme complements set out the way the cross cutting themes, including gender mainstreaming, are to be implemented and require that the PMCs receive an annual Equal Opportunity monitoring report, setting out progress towards meeting the specific targets set out in the SPD and OPs.

Evaluation

10. All Community Structural Assistance is subject to mid-term and ex-post evaluation to gauge the effectiveness of the Programmes.

11. The key elements of the mid-term evaluation, to be carried out by an independent assessor, are to;

- assess the progress which the Programme is making towards achieving its targets and the use

made of financial resources;

- determine the extent to which the SPD remains consistent with the socio-economic situation of the area at that time;
- assess the appropriateness of the Programme's implementation and monitoring mechanisms;
- make recommendations for achieving the most efficient use of the remaining resources available under the Programme.

12. The mid-term evaluation will be submitted to the respective Monitoring Committee and sent to the Commission no later than 31 December 2003, with a view to re-examining the Programme, and as necessary adapting it to reflect changed circumstances.

13. The European Commission is responsible for taking forward the ex-post evaluation of Programmes, in collaboration with WEFO. The evaluations will be undertaken by independent assessors and completed not later than three years after the end of the programming period. They will cover the utilisation of resources, the effectiveness and efficiency of the Programmes, their respective impacts and will draw conclusions regarding policy on economic and social cohesion. They will also cover the factors contributing to the success or failure of implementation and the achievements and results, including their sustainability.

WEFO's Management Reports

14. WEFO's annual report & accounts, corporate plan and operational plan will be copied to EDC in line with the Assembly's financial accounting periods.

ANNEX 2



Annex 3

ANNUAL TIMETABLE FOR EDC TO CONSIDERATION OF REGULAR REPORTS DRAFTED BY WEFO *

DATE	REPORT
AUGUST	RECESS
SEPTEMBER	WEFO Annual Report and Accounts
OCTOBER	PMC Chair reports New Objective 1,2 & 3 Quarterly Progress Report
NOVEMBER	
DECEMBER	PMC Chair reports
JANUARY	New Objective 1,2 & 3 Quarterly Progress Report
FEBRUARY	Objectives 1,2 & 3 Equal Ops Monitoring Report
MARCH	Objectives 1,2 & 3 Annual Monitoring Business Plans
	PMC Chair reports

APRIL

New Objective 1,2 & 3 Quarterly Progress Report

MAY

WEFO Operational Plan

JUNE

Objectives 1,2 &3 Annual Implementation Reports

JULY

PMC Chair reports

New Objective 1,2 & 3 Quarterly Progress Report

[* Does not include Mid Term Evaluation Reports]