EAST MIDLANDS 2007-13 ERDF TECHNICAL ASSISTANCE STRATEGY

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Document

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SECTION 1: INTRODUCTION

1.1 Overview and Context

It is a requirement for the East Midlands 2007-13 ERDF Competitiveness Programme to set out a plan for Technical Assistance. This Strategy has been drawn up in line with Council Regulation 1083/2006 (Article 46), the Implementing Provisions (Section 8.8 of the Operational Programme), and builds on the best practice from the previous East Midlands Objective 2 ERDF Programme.

This Strategy will guide and set the framework for activity to support the implementation of the Operational Programme during the whole programming period, for which Technical Assistance resource is intended. The Strategy will be a living document, kept under review, and continually developed to ensure it remains fit for purpose. In accordance with Article 46 the amount allocated to Technical Assistance will not exceed 4% of the total amount allocated for the East Midlands Operational Programme.

The final version of this Strategy will be published on the East Midlands ERDF website (www.eastmidlandserdf.org.uk) along with other Programme documentation.

SECTION 2: ROLES and RESPONSIBILITIES

2.1 Role of emda

As Programme Secretariat and on behalf of the PMC, *emda* will take the lead in implementing and managing this Strategy.

In addition, *emda* will be a beneficiary of Technical Assistance funding (see section 4) with these applications requiring approval from the PMC.

As with all ERDF-funded projects, *emda* will require an audit trail to support all declarations of expenditure submitted to the Certifying Authority for Technical Assistance and will appoint the ERDF Governance Manager within the Programme Secretariat as the primary contact for all matters relating to Technical Assistance.

2.2 Role of the PMC

PMC members are responsible for the oversight and strategic management of Technical Assistance activity undertaken by the Programme. The PMC will endorse the Strategy and budget for Technical Assistance, be responsible for reviewing reports and updates against the delivery of the plan, and will be responsible for approving applications for Technical Assistance made by *emda*.

2.3 Role of Project Managers

All projects in receipt of Technical Assistance will be subject to the same regulatory requirements that apply to any other ERDF-funded project. Project

managers will be responsible for the preparation of applications, grant claims and progress reports, and must maintain an audit trail to support all claims for expenditure. In addition, Technical Assistance projects will also need to meet ERDF Publicity requirements.

SECTION 3: AIMS and OBJECTIVES

3.1 Aims and Objectives

The overall aim of Technical Assistance is:

> To support the implementation and monitoring process of the Operational Programme to achieve the overarching Strategic Programme Objective, *"to become a region of highly productive, innovative and sustainable businesses and support the most disadvantaged of our communities to realise their economic potential."*

More specifically, Technical Assistance will help to:

- Support the efficient, accountable, and compliant management of the Programme;
- Maximise the quality of Programme implementation and its impact;
- Ensure improved monitoring and evaluation of the Programme; and
- Ensure improved information and publicity of the Programme.

3.2 Operation

The EU Regulations allow eligible ERDF-related expenditure to be claimed from 1 January 2007. The East Midlands will seek to utilise this flexibility with regard to Technical Assistance funding related to Programme preparation and management.

Based on the experience of previous ERDF Programmes, the 2007-13 ERDF Competitiveness Programme will not seek voluntary contributions from partners to be used as match funding for Technical Assistance activity. Match funding will be provided by project applicants on a project by project basis.

3.3 Access

Technical Assistance will be available to support the preparatory, management, monitoring, evaluation, information and control activities of the Operational Programme, together with activities to reinforce the administrative capacity for implementing the Fund. It is anticipated, therefore, that Technical Assistance will be accessed by *emda* and key delivery partners.

Information on the procedures for applying for, and claiming, Technical Assistance will be made available on the region's ERDF website (www.eastmidlandserdf.org.uk) to ensure stakeholders have access to this information.

SECTION 4: ACTIVITY

4.1 Eligible Costs

Technical Assistance will be available for a wide range of activities that support the implementation of the East Midlands Operational Programme. Technical Assistance activity falls into two main categories: those actions associated with the core management and implementation of the Programme; and those linked to the facilitation of stakeholders' effective participation in the Programme.

Eligible activities therefore include the following:

- Development and management of the Operational Programme, including the development of IT solutions;
- Feasibility studies and evaluations;
- Project preparation, appraisal and selection;
- Publicity and Communications;
- Promoting cooperation, networking and best practice;
- Servicing the PMC;
- Core administrative support;
- Preparation of reports;
- Support for the Cross-Cutting Themes; and
- Monitoring and control activities.

4.2 Core Programme Management and Implementation

The Implementing Provisions within the East Midlands Operational Programme outline the tasks that *emda* as the A59(2) designated body for the Programme is responsible for delivering. As part of the process of developing the 2007-13 ERDF Programmes it was agreed that the management of the Programmes would be transferred from Government Offices to the RDAs. This transfer took place on 1 October 2007.

As part of these transfer negotiations it was agreed with the Department for Communities and Local Government (CLG) that the RDAs would be able to call on Technical Assistance funding to support the management of the ERDF Programmes. This was subsequently agreed with the European Commission.

When developing processes and procedures to ensure compliant delivery and management of the Programme, due regard has been given to 'best practice' and lessons learnt from previous Programmes. The ERDF staffing structures and delivery processes within *emda* reflect this, with a key focus on ensuring compliance across all elements of the Programme from the outset.

It is therefore crucial to ensure that the first priority for Technical Assistance is to support the effective and compliant management and administration of the Programme. This will cover costs incurred by *emda* - staffing, publicity and communications, and general monitoring and evaluation activity. If large scale

evaluation or other activities are required, these will need to be subject to separate applications.

On this basis, a proportion of the Technical Assistance budget (see section 5) will be set aside to make provision for this requirement over the lifetime of the Programme. It is, of course, possible that management arrangements may alter through the course of the Programme and the approach to core management and implementation costs can be amended to reflect this, as appropriate.

Provision will therefore be made for the core management and implementation budget, with *emda* submitting applications on a three-yearly basis. This application will comprise a single project to cover the aspects detailed above and will be subject to PMC approval.

It is likely that the overall requirement for *emda's* core Programme management and implementation costs for 2008-15 (plus the final quarter of 2007) will be in the order of £7m – this represents an annual average full year cost of approximately £850,000. *emda* will seek to reclaim up to 50% of these costs from Technical Assistance – this represents a total programme allocation of up to £3.5m ERDF (or £425,000 ERDF per annum). Further details and a full breakdown will be included in the application made to the PMC.

4.3 Programme Facilitation

The management and delivery of the Programme is different to that of the previous ERDF Objective 2 Programme. It is likely, therefore, that partners' interaction with the Programme and any related Technical Assistance requirements, will also be different. It is proposed Technical Assistance in relation to Programme Facilitation focuses on:

- Securing the involvement and engagement of partners in delivering the Programme;
- Ensuring representation of partners in the Programme[1];
- Capacity building in those partners or organisations that are new to ERDF; and
- Supporting the development of local ERDF investment plans (under Priority Axis 2), particularly where target areas may be working together across authority boundaries.

Views are sought from partners in relation to other relevant areas of activity – being mindful of the list of eligible activities in section 4.1.

It will be important to ensure that activity included in a Technical Assistance application is additional ERDF-related facilitation activity, and does not seek to displace funding for mainstream activity.

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[1] Post-script:This has been included within the Programme Facilitation strand at the recommendation of the Priority Axis 2 Sub-Group.

4.4 Retrospection

The Strategy has been developed in support of the principle of retrospection to 1 January 2007. Any costs incurred from this date within the above-mentioned eligible costs may be included within a retrospective claim for Technical Assistance to be agreed by the PMC.

It is anticipated that there will be two retrospective elements to *emda's* Technical Assistance approach: one related to costs associated with the transfer of ERDF into the agency (including Programme and systems preparation work) and one related to a retrospective element of the core programme management and implementation costs.

The retrospective project linked to the transfer relates to costs that have been incurred in the process of developing the delivery mechanisms and procedures for the Programme. Prior to the transfer of staff from GOEM to *emda* at the beginning of October 2007, substantial development work had to take place to ensure that *emda* would be in a position to implement the Programme when it was adopted by the European Commission.

The transfer project also mapped existing processes and procedures for both ERDF and Single Programme; from this, proposing and developing appropriate delivery structures, including processes and procedures, and ensuring that these meet CLG and European Commission rules and regulations. The development of staffing structures to support the delivery of the Programme also formed part of the project. Consideration has also been given to the IT requirements to develop appropriate IT systems to ensure compliant delivery and management of the Programme.

This project is likely to run from 1 January 2007 to 31 March 2008 with estimated defrayed costs totalling £230,000 – this would result in a retrospective claim for ERDF of £115,000.

The retrospective element of *emda's* core management and implementation project is likely to be in the order of £320,000 ERDF (but this will be included as part of the main project application outlined in 4.2).

SECTION 5: FUNDING ALLOCATION and INTERVENTION RATE

5.1 East Midlands ERDF Allocation

The East Midlands 2007-13 ERDF allocation is €268.5m (approx £188m) and the full Programme value, including match funding, is €537m (£376m). The East Midlands allocation has been split across three Priority Axes. The allocation for Technical Assistance, Priority Axis 3, is €10.7m ERDF (approx. £7.4m) that will be equally matched with public funding giving a total Technical Assistance budget of €21.5m (approx £14.8m). This is based on a currency conversion rate of 1.45 and is intended as an approximate guide only.

In accordance with Article 46 the amount allocated for Technical Assistance does not exceed 4% of the total amount allocated for the East Midlands Operational Programme. In general, the normal Operational Programme rate of intervention of 50% will apply.

5.2 Indicative Budget

Technical Assistance Budget	£7,400,000	
emda core management and implementation	(£3,500,000)	2008 – 2015 (including the final quarter of 2007)
emda retrospective transfer project	(£115,000)	1 Jan 07 – 31 March 08
Balance remaining for additional activities	£3,785,000	

As detailed above, formal applications covering the two *emda* projects highlighted in the table will be subject to approval by the PMC.

Please note that these figures are subject to exchange rate fluctuations.

5.3 Match Funding

As a matter of best practice, co-financing of Technical Assistance will be secured prior to formal approval of an individual operation. In general, the normal Operational Programme rate of intervention of 50% will apply.

Where *emda* is the applicant for Technical Assistance, public match funding will be provided by *emda*. Where key delivery partners seek to access Technical Assistance, they will need to provide appropriate public match funding.

SECTION 6: MONITORING and REPORTING

6.1 Monitoring

As Programme Secretariat on behalf of the PMC, *emda* will have responsibility for monitoring and reviewing delivery against the implementation of this Strategy on a continual basis. In addition, monitoring appropriate Technical Assistance activity will also form part of the Programme's overall Monitoring and Evaluation Strategy.

6.2 Reporting

The PMC will receive regular reports on Technical Assistance projects and activity (alongside other Programme-funded investments). This review and reporting will allow the PMC to determine if there are gaps in Programme implementation that Technical Assistance may be able to support.

The Programme's Annual Implementation Report (AIR), a progress report to the Commission on the implementation of the Operational Programme, will be

presented to the PMC for their consideration and endorsement before it is submitted to the Commission. The AIR will include a written update on implementation of the Technical Assistance Strategy and will include the following information:

- Progress on implementation of the Strategy;
- Detail on the items of Technical Assistance expenditure;
- The use made of Technical Assistance; and
- Any major amendments to the Strategy.