



EU Funding Overview

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Brussels, 10-11 September 2007





Presentation

- 1. Why EU Funding?**
- 2. The EU Budget and the Financial Perspectives**
- 3. EU Funding Sources**
- 4. What Services Can a Brussels Regional Office Provide?**



1. Why EU Funding?

EU Objectives and Principles



Pursuing the EU Objectives

- “The economic constitution” in the Treaty
- Art 2: *“The Community shall have as its task (...) to promote throughout the Community a harmonious and balanced development of economic activities, sustainable and non-inflationary growth respecting the environment, a high degree of convergence of economic performance, a high level of employment and of social protection, the raising of the standard of living and quality of life, and economic and social cohesion and solidarity among Member States.”*
- This is implemented *“by establishing a common market and an economic and monetary union and by implementing the common policies or activities referred to in Articles 3 and 3a”*
- Evolution towards political objectives
- Solidarity principle





2. The EU Budget and the Financial Perspectives

- 2.1. Who Deals with it within the Commission?
- 2.2. The Framework
- 2.3. Where Does the Money Come From and Where Does it Go?
- 2.4. How Is It Decided?
- 2.5. How Is It Accounted For?



2.1. Who Deals with the EU Budget within the Commission



The Commissioners



Dalia Grybauskaitė – Lithuanian

Commissioner for Financial Programming and Budget



Sim Kallas – Estonian

Vice-president Responsible for Budgetary Discharge

All different Directorate
Generals participate in the
adoption process and
some play a particularly
relevant role

DG Agriculture – the Common
Agriculture Fund is the biggest
budgetary chapter

DG Regional Affairs – Manages the
second biggest budgetary amount



2.2. The Framework Rules and Principles





Facts and Figures

- **Democratic & Transparent:** To fund activities that all Member States and parliaments have agreed upon in the Treaties
- Around **1% of the Union's national wealth**, which is equivalent to about 235 Euro per head of the population – **comes into the EU's annual budget**
- **The money is returned to the Member States:** To fund activities on agriculture, fisheries, infrastructure, education & training, culture, employment & social policy, environmental policy, health & consumer protection, research, etc.
- **The EU as a Global Player:** Part of the EU budget is also spent on funding economic development around the world and on humanitarian aid to help non-EU countries afflicted by natural disasters and other crisis situations

Source: European Commission, DG Budget





The Legal Framework

- **Legal bases:** Treaty of the European Community - Title II on Financial Provisions (arts 268-280) + Financial Regulation No 1605/2002 of 25 June 2002 + Interinstitutional Agreements
- **Authorising acts:** Before they can be implemented, almost all budgetary activities also require a Community law proposed by the Commission (EC), and agreed by the legislative authority – the European Parliament (EP) and the Council of Ministers together, in many cases
- **General procedural principles:** Similar to those in national budgets
- **Specificity:** Is present in the framework for expenditure



The General Principles

- **Democratically Decided:** Negotiated between the European Parliament (EP) and the Council of Ministers on the basis of a proposal by the Commission (EC)
- **Annual budget:** All operations are linked to a budgetary year – 1 January to 31 December
- **Speciality:** Spending is specialised in chapters/*rubriques* depending on their nature and destination
- **Balance:** The amount of expenditure is limited by the own resources threshold. Loans cannot be used to balance it – Expenses budget
- **Unity:** All expenditure and income are contained in one single document (from 2008 even the external relations assistance)
- **Universality:** All sources of income finance all expenses. The document lists all the activities that are to be funded and sets out the total amounts of money and staff available for each. It also cites the authorising acts for each action
- **Limited by agreement**





Limited by Agreement

- Limited by the Treaties
- **Contribution Ceiling** agreed by Member States and parliaments: The amount of money which can be made available to the Union is set at **1.24% of the Union's gross national income** for payments made from the EU budget
 - As a comparison, about 45% of the Union's GNI goes to national, regional and local public expenditure in the Member States!
- Limited by the **Financial Perspectives**: A multi-annual financial framework agreed between the Institutions. The current ones cover 2007 to 2013
 - Works towards post 2013 are already starting!
- **Deficit is not allowed**: Revenue has to cover the whole cost of all activities





2.3. Where Does Money Come From and Where Does it Go?





The EU's Resources

- “**Own resources**” legally belong to the Union: Member States collect them on behalf of the EU and transfer them to the EU budget
- **Three kinds** own resources:
 - **Custom duties**: charged on imports of products coming from a non-EU state. Approximately € 3 billion or 15 % of the total revenue
 - A **share of** the harmonised value added tax (**VAT**) base of each Member State. 15 % of total revenue, or some € 17.8 billion
 - A uniform **percentage rate** (0.73 %) **on the GNI** of each Member State. 69 % of total revenue or € 80 billion
- **Other resources**: Amount to around €1.3 billion, about 1 % of the budget - i.e. taxes paid by EU staff, contributions from non-EU countries, and fines for breaching competition or other laws

Source: European Commission, DG Budget. Figures refer to 2007 forecasts





Getting the Money Back!



- Revenue flows **into the budget in proportion to the wealth** of the Member States
 - The UK, the Netherlands, Germany, Austria and Sweden, however (net contributors) benefit from some adjustments when calculating their contributions
- EU funds flow **out to the Member States in accordance with the priorities** that the Union has identified
 - Less prosperous Member States receive proportionately more than the richer ones
- “Most countries receive more than they pay in to the budget”

Source: European Commission, DG Budget



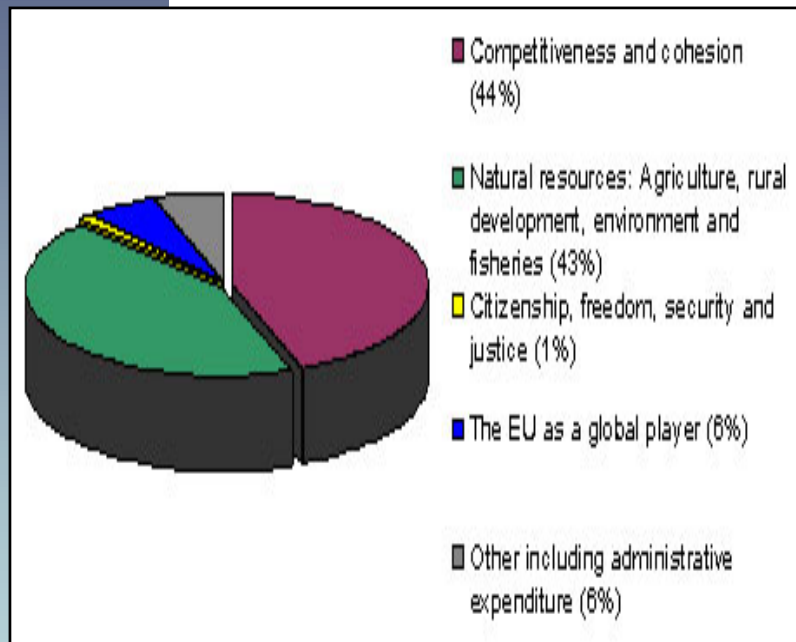
Types of Expenditure

- **Compulsory expenditure** covers all expenditure resulting from international agreements and the EU treaties
- All other expenditure is classified as **non-compulsory**
 - There is a threshold for raising it: Checked by EC each year on the basis of average GNI, national budgets' variation and the raise of the cost of life
- **Classification** is the **source of interinstitutional conflict**
 - ⇒ The Council of Ministers has the final word on compulsory expenditure
 - ⇒ The European Parliament on non-compulsory expenditure
 - ⇒ Threshold for raising non compulsory expenses is the counterbalance to EP's last word
- The importance of this distinction has declined with successive interinstitutional agreements as well as with the introduction of the budgetary discipline and the Financial Perspectives





Where Does the Money Go?



Source: European Commission, DG Budget

- To the priorities set by the EU countries under broad spending categories (known as “**headings**”)
- To thirty-one different policy areas in domains where all EU countries have agreed to act at Union level following the **subsidiarity principle**

- **For 2007-2013 focus on sustainable growth in order to achieve the Lisbon Strategy goal of turning the EU into the most competitive knowledge-based economy of the world by 2010**



Out of 1 euro...



...spent from the EU's annual budget between 2007 and 2013

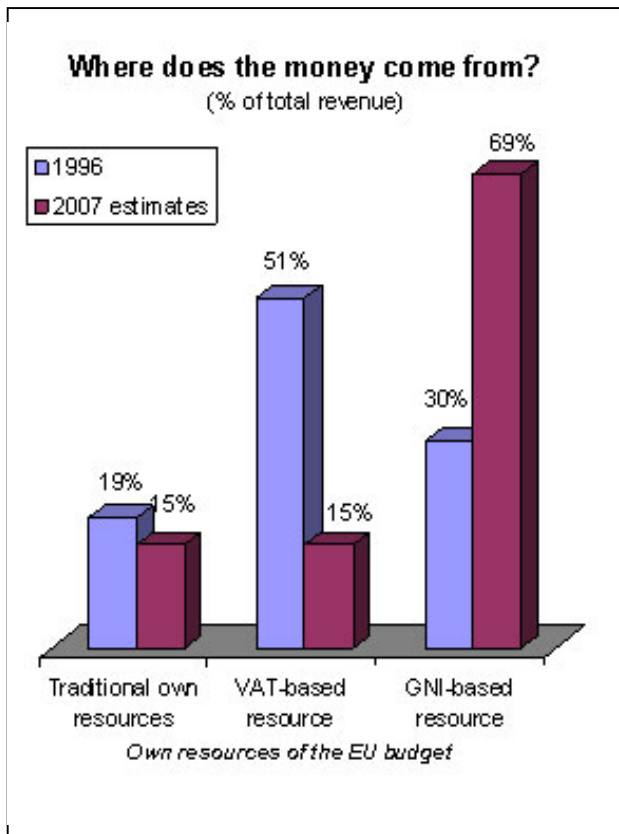
- **8 cents** will go to make the EU more competitive
- **36 cents** will go to cohesion activities
- **43 cents** will be spent in natural resources – agriculture, rural economy, fishing and the environment
- **1 cent** will fight against terrorism, organised crime and illegal immigration
- **1 cent** will go to “**Citizenship**” activities: public health, consumer interest, cultural heritage and active participation
- **6 cents** will fund emergency aid and long-term assistance for prosperity, stability and security in countries about to join the Union, neighbouring countries, and poorer areas around the world
 - During the period 2008–13, this extra assistance will correspond to about three per cent of the EU's annual spending
- Around **six cents** will be spent on running the EU

Source: European Commission, DG Budget





The 2007 Budget



Source: European Commission, DG Budget

- **Total EU revenue for 2007** amounts to some **€ 116.4 billion**, while the total of the funds committed under different policies is slightly higher
- The difference results from budgetary practice: EC commits, i.e. blocks, the total amount required for a multi-annual project in the first year of the project. The actual payments, however, are made in several installments during the project period

Source: European Commission, DG Budget





2.4. How Is the Budget Decided?

Multiannual Framework or Financial Perspectives
Annual Budget





Procedural Aspects

- **The budgetary authority:** Delicate institutional balance held by the Parliament and the Council
- **Nuances:** Constraints to prevent the EP from raising the expenditure
- **Strict calendar** to allow for continuity but pragmatic interinstitutional agreements
- **Classification of expenses** – compulsory and non compulsory
- **Threshold for raising non compulsory expenses**
- **Budgetary discipline – Financial Perspectives**



The Multiannual Framework

The Financial Perspectives

- **First step**
- **Interinstitutional agreement:** concluded by the EC, EP and Council of Ministers
- **Binding agreement** to ensure budgetary discipline, long-term planning and to enhance cooperation in connection with annual budgets
- **Establishes annual upper limits** (known as “**ceilings**”) per heading, which must be respected by the annual budgets
- So far:
 - 1988-1992: Delors I Package
 - 1993-1999: Delors II Package
 - 2000-2006: Agenda 2000
 - **2007 to 2013: Investing in Our Future**
- Works towards the post 2013 are already starting!





The 2007-2013 Financial Perspectives

Background:

- Outcome of Convention
- Third Cohesion Report
- Enlargement, including Bulgaria and Romania
- European Elections
- New Commission

Sticking Points

- The level of contributions required from individual Member States (SE, NE, UK ...)
- The UK rebate and other adjustments to the own resources system
- Linked to a review of the whole structure of EU spending, including agricultural spending and cohesion



What Was Being Discussed?

COMMITMENTS APPROPRIATIONS 2007-2013 BY HEADINGS (in million of EUR, at 2004 prices)	UK Presidency	EP Resolution	Luxembourg Presidency
1a. Competitiveness for growth and employment	72.010	110.600	72.010
1b. Cohesion for growth and employment	296.900	336.330	306.508
2. Preservation and management of natural resources of which market measures and direct payments	367.464 293.105	392.306	377.000
3. Citizenship, freedom, security and justice (excl. EUSF)	10.270	16.053	11.000
3a. Freedom, security and justice	6.630	9.321	6.630
3b. Citizenship	3.640	6.732	4.370
4. The EU as a global partner (excl. EDF)	50.010	63.983	50.010
5. Total administrative expenditure	49.300	54.765	50.300
6. Compensations BG/RO	0.800	800	800
Total commitments	846.754	974.837	868.428
In % of EU-27 GNI	1.03%	1.18%	1.05%

Source: European Commission, DG Budget



What Was Finally Agreed?

Complications

- EP initially rejected the December 2005 European Council agreement
- Then agreement reached in April 2006 ⇒ Legislative package changed
- Financial Regulation agreement in December 2006
- Some legislative acts in discussion until 2007

Amounts Increased (compared to December deal):

- Extra €4 billion in the budget for political priorities;
- Additional €2.5 billion for Lisbon objectives, and
- Overall ceiling increases from €862.4 billion to €864.4 billion, complemented by a huge increase in flexibility

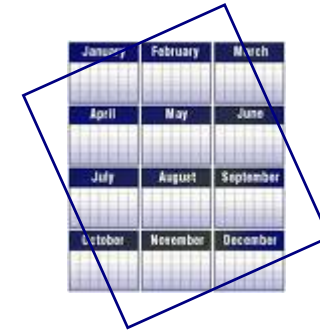
Sound Financial Management Elements Added

- Budgetary review;
- Financial Regulation review;
- Certification of Member States' proper management of EU funds under shared management, and
- Democratic scrutiny of external actions by the EP





The Annual Budget— The Proposal



- **Pragmatic** interinstitutional **agreements** to extend short official deadlines
- **State of expenses and estimates** for a preliminary draft budget **by each Institution** according to internal procedures before 1 July
- **Commission consolidates them in the preliminary draft budget** and submits it to the Council on time for July Budget Council
- This is not “the proposal” *strictu sensu* so unanimity is not required



The Annual Budget-1st Reading

- After a conciliation meeting with the EP the **Council adopts the draft budget** before 1 September – in practice before 31 July
- **At its first reading in October, the Parliament may decide to amend the Council's draft**
 - It will discuss controversial matters in “trialogue” meetings with the Council Presidency and the Commission
 - EP has 45 days for its 1st reading
 - Amendments by majority of members and modifications to compulsory expenditure by absolute majority of the votes
 - Parliament's first reading, along with its suggestions, is then referred back to the Council
 - If EP is silent the draft is adopted



The Annual Budget - Council's 2nd Reading

- 15 days in November
- **Focuses on modification proposals and amendments by EP**
- If all accepted the budget is adopted
- Council can modify amendments and reject modification proposals by qualified majority
- If not rejected they are considered as accepted. But if proposals entail raising the total budget of an Institution then specific adoption by qualified majority is needed
- **Compulsory expenditure is fixed** at this stage – Council retains last word



The Annual Budget - EP's 2nd Reading

- 15 days in December
- **Focus on modifications the Council has made to parliamentary amendments on non compulsory expenses**
- EP can amend or reject these modifications
 - Majority of members and 3/5 of the votes
 - In case of silence the budget is adopted as submitted by the Council
- **EP can reject the budget** by a majority of members and 2/3 of the votes
 - Commission proposals for a **3rd reading** on the basis of the 2nd reading





Provisional Twelfths

- **To ensure continuity** if the budgetary procedure is not achieved by the end of the exercise
- Expenses can be made monthly per chapters within the limit of a twelfth of the credits of previous years
- Additional twelfths can be authorised:
 - By qualified majority within the Council
 - Under reserve of the EP's voting by majority and 3/5 of the votes for the non compulsory expenses
 - EP's silence equals to agreement after 30 days



Amendments and Additions

- It is possible to adopt amending and additional budgets during the budgetary year
- In the case of **inevitable, exceptional or unforeseen circumstances** occurring after the budget has been adopted
- A **rectification budget**:
 - **Cannot raise** the total amount of **expenses**
 - **Can reduce expenses** with or without changes in their affection
- An **additional budget raises** the global amount of **expenses and/or entails new ones**



External Common Security Policy

- Titles V and VI are subject to standard budgetary procedure BUT given the importance of ECSP expenses and despite being non compulsory expenditure they are subject to **special adoption rules** (Amsterdam Treaty)
- **EP and Council try to agree on an expenditure** amount: Foreseeable expenditure + margin
- **If they cannot agree, the amount will be:**
 - The one calculated for **the previous budget**
 - The one reflected in **the draft proposal if it is smaller**
- The Council must inform the EP about the evolution and execution of ECSP action





EP Rejections



1979-1988: Budget Conflicts

- **Parliament rejects the budgets of**
 - 1980: First after direct elections - vehicle for legislating and for controlling agricultural expenditure
 - 1985: Insufficient own resources, increasing agricultural expenditure; new policies to finance
 - 1986: Insufficient own resources; legislative powers
 - 1988: Own resources, Delors reforms & financial perspective, legislative powers;
- **Regime of provisional twelfths applied**



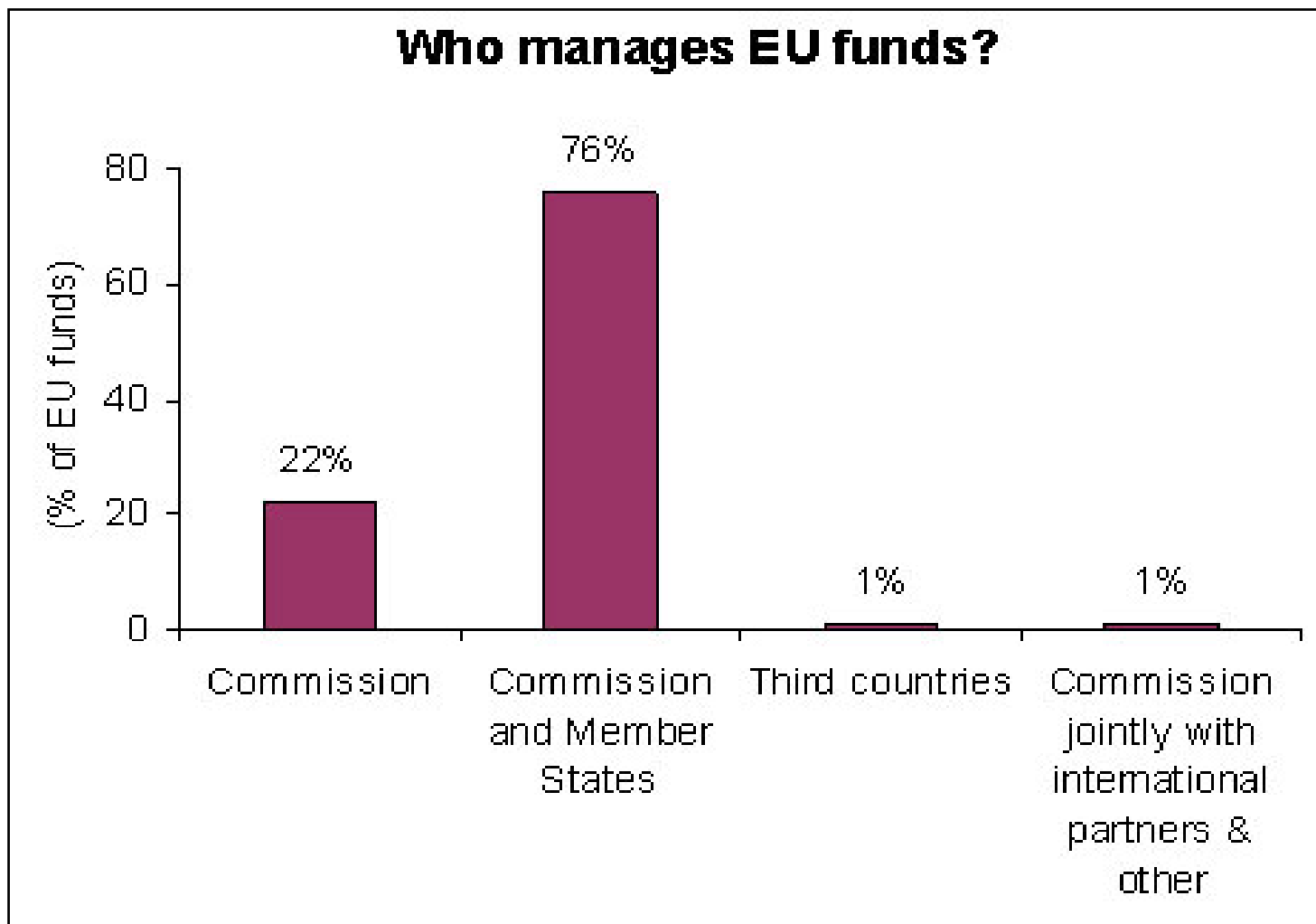
2.5. How Is the Budget Managed and Accounted For?



Responsibility and Management

- Ultimate responsibility for budget implementation lies with the EC
- In practice some 76 % of EU Funds is spent under “**shared management**”
 - National authorities manage the expenditure under a whole set of checks and balances to enforce the rules
- The **Commission must recover amounts unduly paid**, whether by error, irregularity or deliberate fraud
 - Member States are equally responsible for protecting the EU’s financial interests: they cooperate with the Commission and with OLAF — the European Anti-Fraud Office
- **Activity-based budgeting**: The budget is separated into thirty-one policy areas. Each of these policy areas is broken down in the activities financed and their total cost in terms of both financial and human resources

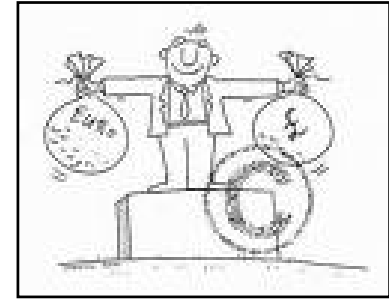




Source: European Commission, DG Budget



Making Payments



- The Commission has bank accounts with Member State treasuries, central banks and commercial banks and is a participant in SWIFT (the Society for Worldwide Interbank Financial Telecommunication)
- All payment instructions are sent electronically in encrypted form and with a coded authentication key
- The Commission deals with over 200 000 third parties, mainly beneficiaries of grants and suppliers of goods and services
- To handle these transactions it uses “a computerised legal entity file” (LEF) for each third party



Control and Auditing



- **One “authorising officer” per DG** (usually the director-general)
- **Internal controls:** Ex ante and ex post controls, independent internal auditing and regular reporting on activities to the Commissioners
- **DGs’ annual activity report:** Synthesis report sent to the EP and Council
- **Annual accounts** of the European Communities: Consolidated Implementation Reports + Balance Sheet
- All these inform the **European Court of Auditors’ annual declaration of assurance** on the EU’s management of its resources
- **Parliamentary Discharge:**
 - Following the publication of the Court of Auditors’ Opinion and Annual Accounts, the Council submits its recommendations to the EP
 - If the EP considers that the Commission managed the EU budget appropriately, it grants discharge to the Commission
 - EP often recommends follow-up action. In response, the Commission identifies the measures it could take and informs the EP and the Council





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3. EU Funding Sources

3.1. Overview of Opportunities

3.2. Some Basic Principles

3.3. Cohesion Policy & Structural Funds

3.4. Rural Development and Fisheries

3.5. Other EU Programmes



3.1. Overview of Funding Opportunities



Areas of Interest	Relevant EU Programmes
Agriculture and Rural Development	Rural Development Programme: support for land-based rural industries, agri-environment, and diversification of rural areas.
Citizenship	Youth in Action: promotes active citizenship amongst young people. Europe for Citizens: for European citizens to cooperate and actively contribute to European integration.
Cohesion Policy and Territorial Cooperation	Implemented by the Structural Funds Convergence Objective: a regional development objective focusing on areas lagging behind (ERDF and ESF) Competitiveness & Employment Objective: supports the competitiveness of EU regions (ESF and ERDF). Territorial Co-operation Programmes: encourages co-operation between EU regions across Europe in areas of regional/economic development (ERDF). Cross border Co-operation: (i) France (Manche) England (ii) France-England-Flanders-Netherland Programme Transnational Co-operation: (i) Atlantic Area (ii) North West Europe Interregional Co-operation <ul style="list-style-type: none"> ○ Interreg 4C (networking/exchanges) ○ URBACT II (networking/exchanges for urban areas) ○ ESPON II: (spatial analysis/mapping research projects)
For Education & Culture	Lifelong Learning Programme: encourages mobility of students and workers across the EU: a) Erasmus (higher education); b) Grundtvig (adult education); c) Comenius (school education); d) Leonardo (work placements/opportunities for training); e) Transversal (policy cooperation; languages, eLearning; and dissemination); f) Jean Monnet (teaching and research in European integration) Culture 2007: reinforces EU identity by enhancing the European cultural area - cultural cooperation circulation of artworks.

Areas of Interest

Relevant EU Programmes

For Employment & Social Affairs

PROGRESS: supports actions in the area of Employment & Social affairs.
Daphne III: supports research and exchange of best practice in combating violence against women, young people, and children.

For Energy & Transport

Intelligent Energy Programme*: aims to secure a sustainable and competitive energy for Europe with a strong focus on local communities in the areas of: **a)** energy efficiency (**SAVE**); **b)** renewable energy (**ALTENER**); **c)** sustainable transport (**STEER**)
Marco Polo II: encourages private freight operators to diversify their modes of transport.
TEN-Ts: develops key European transport routes.

For Enterprise & Innovation

Entrepreneurship & Innovation Programme*: supports innovation, eco-innovation and SMEs through a range of measures including finance, exchange of best practice and networking.

For Environment

LIFE+ Programme: supports innovative development projects with a strong emphasis on nature & biodiversity, environment policy & governance and information & communication.

For Fisheries

European Fisheries Fund: supports restructuring in the European fishing industry.

For Health

Public Health Programme: protects EU citizens from health threats, generates health information and improves general health.

For ICT

ICT Policy Support Programme*: encouragea the wider uptake and best use of ICT by citizens, governments and businesses.
Media 2007: supports the production, development and promotion of EU audiovisual works.

For Research & Development

FP7: Seventh Framework Programme for R&D: boosts investment in R&D and makes Europe attractive to the best researchers in the world. Measures include supporting research in a number of key areas, managing the human resources of the research sector and capacity-building.

For External Cooperation

European Neighbourhood and Partnership Instrument (ENPI): cross-border cooperation for EU external land and maritime borders.
Instrument for Pre-Accession Assistance (IPA): facilitates the transfer from candidate country to Member State status.
Development Cooperation and Economic Cooperation Instrument (DCI): helps develop partner countries and regions achieve the Millennium Development Goals.

* These three programmes (Intelligent Energy Programme, Entrepreneurship & Innovation Programme, ICT Policy Support Programme) all come under the umbrella heading: Competitiveness & Innovation Programme (CIP). They are three independent and separate pillars of CIP.



3.2. Some Basic Principles





From Both Perspectives

From the EU Perspective

- Funding programmes support EU policy
- NOT there to fund good or well-intentioned projects

From Your Perspective - Why EU funding?

- Complement to national/regional/local money in relevant needs
- Added value of working with EU (and non-EU) partners
- Access to knowledge about other countries
- Best practice exchanges and visits
- Human touch – personal and professional development



3.3. Cohesion Policy and Structural Funds

Cornerstone of the Solidarity Principle



The Legal Framework 2007-2013

At EU Level – more strategic approach:

- **European Regulations:** Overarching framework through which the priorities of the various operational programmes are established - Official Journal on 31 July 2006
- **Community Strategic Guidelines:** Broad priorities for action to be developed by Member States - October 2006
- **Communication on Cohesion Policy and Cities:** To strengthen the urban dimension
- **State Aid Rules:** Currently under review

At National Level – setting the framework for funding

- **National Strategic Reference Frameworks NSRFs**
- **Operational Programmes OPs**– currently being adopted

Managing Authorities are in the Member States





Lisbonisation of the Cohesion Policy

- Lisbon Goals: Overcoming regional disparities within the EU, achieving sustainable growth and employment, boosting research & innovation and skills and encouraging entrepreneurship
- This is reflected in **three ways** in the new Cohesion Policy:
 - I. “**Lisbon focused**” priorities set out in the Structural Funds Regulations
 - II. **Lisbon earmarking for expenditure:** Minimum targets for “Lisbon expenditure” in the Operational Programmes of the two main Objectives
 - III. (iii) **Joint reporting** of Lisbon National Reform Plans and Structural Funds: To monitor the delivery of national Lisbon-related objectives by means of the implementation of NSRFs and OPs





Architecture of the New SF

2000-2006 Programmes	2007-2013 Programmes
Objective 1 (ERDF, ESF, EAGGF, FIFG)	Convergence (ERDF only + ring fence ESF allocation)
Objective 2 (ERDF)	Competitiveness & Employment (ERDF & ESF)
Objective 3 (ESF)	Territorial Co-operation (ERDF)
Community Initiatives Interreg 3 EARDF EQUAL LEADER	<ul style="list-style-type: none">• EQUAL and URBAN are mainstreamed into the Convergence and Competitiveness & Employment Objectives, whilst INTERREG becomes an “Objective” in its own right• All rural development activity in the current Structural Funds (LEADER+ and certain measures for Objective 1 areas) is mainstreamed into the rural development programmes run by DG Agriculture, under a new single fund, the European Agriculture Fund for Rural Development (EAFRD)• The Financial Instrument for Fisheries Guidance is also mainstreamed into a new European Fisheries Fund, managed through DG Fisheries



Convergence Objective

- GNI per inhabitant **lower than 75% of the EU25 average GNI**
- Period used to determine the GNI was 2000-2002
- European Regional Development Fund (**ERDF**) **focuses** its intervention **on**:
 - **Modernising and diversifying economic structures**
 - **Safeguarding or creating sustainable jobs**
- Action in the following areas: research and technological development (RTD); innovation and entrepreneurship; information society; environment; risk prevention; tourism; culture; transport; energy; education; health



Competitiveness & Employment Objective

- **Mainstreamed** elements of **URBAN** and **EQUAL**
- Support from **ERDF** and European Social Fund (**ESF**)
- **Priorities** on three sections:
 - **Innovation and knowledge-based economy:** Regional capacities for research & technological development: innovation and entrepreneurship; financial engineering notably for companies involved in knowledge-based economy;
 - **Environment and risk prevention:** Polluted areas; energy efficiency; clean public transport; natural & technological risks, and
 - **Access to transport & telecommunications and services of general economic interest**



Territorial Cooperation

ERDF focuses its aid **on three main areas:**

- Development of economic and social **cross-border** activities;
- Establishment and development of **transnational cooperation**, including bilateral cooperation between maritime regions, and
- Increasing the efficiency of regional policy through **interregional** promotion and cooperation as well as the networking and exchange of experiences between regional & local authorities.





Cohesion Fund

- For Member States whose **GNI per inhabitant is less than 90% of the Community average**
- To reduce economic & social shortfall and stabilise their economy
- Actions **in the framework of the Convergence** objective
- Subject to **ESF and ERDF rules** of programming, management and monitoring
- For 2007-2013 concerns Bulgaria, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia. Spain is eligible to a phase-out fund only as its GNI per inhabitant is less than the average of the EU-15
- Finances activities on:
 - **Trans-European transport networks**, notably priority projects of European interest as identified by the Union;
 - **Environment** (also energy or transport)





JEREMIE, JESSICA and JASPERS

- Available for use in the **Convergence and Competitiveness & Employment Objectives**
- **JEREMIE** (Joint European Resources for Micro to Medium Enterprises): To support improved **access to finance for SMEs** and **development of micro-credit** through the new Structural Funds
- **JESSICA** (Joint European Support for Sustainable Investment in City Areas): Supporting **sustainable investment for urban development** by offering Member States and Managing Authorities the possibility to "transform" grants from Operational Programmes into repayable and recyclable assistance to Public Private Partnerships and other projects
- **JASPERS** (Joint Assistance for Preparing Projects in European Regions): **Technical assistance** instrument **targeted at the new Member States** to help them to prepare high quality large-scale projects





EU Solidarity Fund

- Annual budget of €1 billion
- It is used:
 - In the event of a **major natural disaster**
 - Exceptionally, in the event of an **extraordinary regional disaster** that affects the majority of the population of a region and has serious and lasting effects on its economic stability and living conditions
- It can fund:
 - **Immediate restoration** to working order of infrastructure and plant in the fields of energy, drinking water, waste water, transport, telecommunications, health and education
 - **Temporary accommodation and emergency services** to meet the immediate needs of the population
 - **Immediate securing** of prevention infrastructures and measures to protect the cultural heritage
 - **Cleaning up** of disaster-stricken areas, including natural zones
- **UK floods (including the SW), Greece fires?**





3.4. Rural Development and Fisheries





Rural Development

- New single fund, the **European Agriculture Fund for Rural Development (EAFRD)**
- The Rural Development Regulation sets out a structure for rural development based around **four priority-axes, with up to 37 measures available for Member States to choose to fund** in their new **Rural Development Programmes**:
 - Axis 1: **Competitiveness of Farming & Forestry** (minimum of 10%)
 - Axis 2: **Improving the Environment & Countryside** (minimum of 15%)
 - Axis 3: **Diversification of the Rural Economy & Quality of Life** in Rural Areas (minimum of 10%)
 - Axis 4: **“LEADER”** Axis (minimum of 5%)





The Fisheries Fund

- Previous Financial Instrument for Fisheries Guidance is mainstreamed into a **new European Fisheries Fund**
- The architecture centres around **four main axes**:
 - Axis 1: **Adaptation of the Fishing Fleet**
 - Axis 2: **Investment in Aquaculture**
 - Axis 3: **Measures of Common Interest**
 - Axis 4: **Sustainable Development of Coastal Areas**



3.5. Other EU Programmes

What Is Out There For You?





Pros and Cons

Some cons...

- ☹ It is competitive: you bid for the money
- ☹ Hassle... deadlines... paperwork (potentially), etc.
- ☹ Little money (sometimes)
- ☹ Disappointment if application not successful

**Need for a good
cost-benefit analysis**

Some pros!

- ☺ Responding to local needs
- ☺ Money!
- ☺ Chance to work with European colleagues
- ☺ Chance to learn and be stimulated!
- ☺ Sense of achievement
- ☺ Profile for the territory and professional recognition

**Need for relevant intelligence
and expertise –
Regional Offices**





How does an EU Programme Work?

- Available **for activities in different fields** including research, culture, education, energy, environment, transport, health, social affairs, external action...- Also Lisbon focused
- It is usually **highly competitive**: You bid for your ideas
- **Your ideas should match** the areas for funding identified in the Programme's Regulation, Work Programme, Call for Proposals or Tender
- The **EC publishes calls** in the **Official Journal C** (Information & Notices) and also in the **DGs' and Executive Agencies' websites**



How does an EU Programme Work? (2)

- **Usually** there is **one annual call per Programme**
- **Call for Proposals:** Officially announces the availability of funding for projects/ideas and invites interested parties to submit proposals
- **Call for Tender:** Aims at undertaking work for the EC with clear tasks and specifications (e.g. research study, conference organisation, etc.)
 - The Calls set the: Specific objectives for this funding round, funded activities, eligibility criteria and how and where to apply
- **There is always a specific process to apply**, which is set in the text of the Call and in the specifications provided (e.g. guides for applicants)
- There are often **national contact points**
- **Sometimes** the EC offers the **possibility of a “proposal check” before formal submission**



Before Starting a Bid



Checklist:

- Are you clear about what you want to do? Have you got time?
- Is Europe the right source?
- Do you match the eligibility criteria?
- Does your idea match the Programme and the Call for Proposals?
- Have you assessed the risk? – Cost/benefit analysis

Cost/Benefit Analysis:

- Costs of the application/bid: time/energy, travel?, consultants?
- Organisational support covered (and sign off process)
- Clear benefits
- Drafting the application: personal development, establish links, profile etc.
- Successful bid: funding, partnership
- Final consideration: costs of running the project and associated risks



Initial Idea & Preparation



- Define **objectives**
- **Identify** correct **programme & potential calls** for proposals
- **Secure organisational commitment** (in principle)
- Initial **eligibility check**
- Identify **potential partners**
- Assess the **operational and financial capacity of the partnership**
(see next slide)

Time: 1 to 12 weeks



The Right Partners



Different types of partner status – Your resources and ambitions?

- Coordinator/Project Leader: Legal signatory for the contract with the EC and coordinating role in the design and implementation of the project
 - 🔔 Usually does most of the work!!
- Co-organiser/partner: Genuine involvement in design and implementation

The Right Balance: Number of Partners and geographical spread

- The importance of getting “new Member States”
- Bring new and different strengths
- The salt & pepper: Cultural, linguistic and organisational differences...

Ownership

- Be clear about the project structure and the roles of each partner
- Demonstrate collective ownership



Application Process



- Collect and follow **application forms, guides and other documents**
- **Meet** and discuss project with **partners** (where necessary)
- Prepare a **coherent budget** / Match funding
- **Draft application** (with partners) and **check the “award criteria”** (next slide)
- **Internal approval** process
- **Partners approval** processes
- **Translation** (where necessary)
- **Submit** final application **by deadline!**

Time: 1 to 12 weeks



The Award Criteria



- **European Added Value:** Beyond local interests, better achieved at EU level, potential for long term cooperation and multiplier effect, number and spread of partners
- **Quality:** Cooperation and commitment, clarity of proposal and management, match with the objectives of the Programme/Call, impact on public
- **Dissemination/ Promotion:** Visibility and marketing plan, educational aspects, number of beneficiaries
- **Professional Competence of Partners:** Proven experience in the area and in European projects
- **Financial Capacity:** Relevance of budget and cost-effectiveness



Contract Negotiation



- **Negotiation - Lead partner (coordinator) deals directly with EC**
- Bear in mind a **potentially reduced budget and changes in the scope**
- **Check your financial contribution** (where applicable), **level of grant** you receive, and **activities/outputs** you must deliver

Time: 1 to 12 weeks



Project Delivery and Closure



Delivery – Time varies (maximum 3 years)

- Deliver activities as set out in contract agreed with EC
- Beware potential hiccups along the way!
- Maintain records of all expenditure
- Be clear about eligibility issues – expenditure and activities
- Financial claims usually via project coordinator
- Requirements in terms of audit, record keeping, beneficiary details etc.
- Project dissemination activities, plans & requirements

Closure

- The Project does not end when the activities are finished
- Coordinator is responsible for submission of final report
- Final payment is withheld until final report is signed off by EC



More Information

- Structural Funds Regulation

http://ec.europa.eu/regional_policy/sources/docoffic/official/regulation/newregl0713_en.htm

- Cohesion Policy 2007-2013: Fact Sheets

http://ec.europa.eu/regional_policy/atlas2007/fiche_index_en.htm

- Tenders Electronically Daily TED

<http://ted.europa.eu/Exec?Template=TED/homepage.htm&DataFlow=hRead.dfl&hpt=ALL&StatLang=EN>

- Official Journal of the EU

<http://europa.eu.int/eur-lex/lex/JOIndex.do?ihmlang=en>



4. What Services Can a Brussels Regional Office Provide

Information & Intelligence, Programme Support and Profiling from the Heart of the EU



The South West of England





The Partnership

South West UK Brussels Office

- All local authorities (county and unitary)
- The Regional Development Agency
- The Higher Education RDA
- South Coast Metropole
- The Regional Assembly





The Region's Profile



- Population of 5 million - Compares to Catalonia in Spain and Saxony in Germany
- Magnificent natural and built landscape
- Economy traditionally built on agriculture, tourism, fishing, and defence
- Spirit of innovation and entrepreneurship - Dynamic social economy, creating employment and services and promoting social cohesion
- Important urban centres and large industries



Key Economic Sectors



- Advanced Engineering (includes Aerospace)
- Food and drink
- ICT
- Leisure and tourism
- Marine

Emerging sectors

- Biotechnology
- Creative industries
- Environmental technologies



The South West UK in Europe

- The EU and the SW EU work in partnership to tackle specific economic and social problems via Cohesion Policy

- **Structural Funds 2007-2013**

- **Convergence Objective** (Cornwall & The Isles of Scilly): €585 millions
- **Competitiveness Objective** (the rest of the Region): €237 millions
- **Territorial Cooperation**: €60 millions per capita

- For **agriculture and rural development**: approx. €400 millions per annum during 2004-2005 (no major changes expected)



- Long established **experience on EU Funding**
- **Enlargement** of the EU provides the **potential** to build new partnerships and business opportunities



SWUKBO Team



Eleni Marianou
Director



Gregg Jones
Senior European
Officer



Maruxa Cardama
Principal European
Officer



Anne-Claire Bellec
European Officer



Emily Palmer
European Officer



Delyth Evans
Office Manager

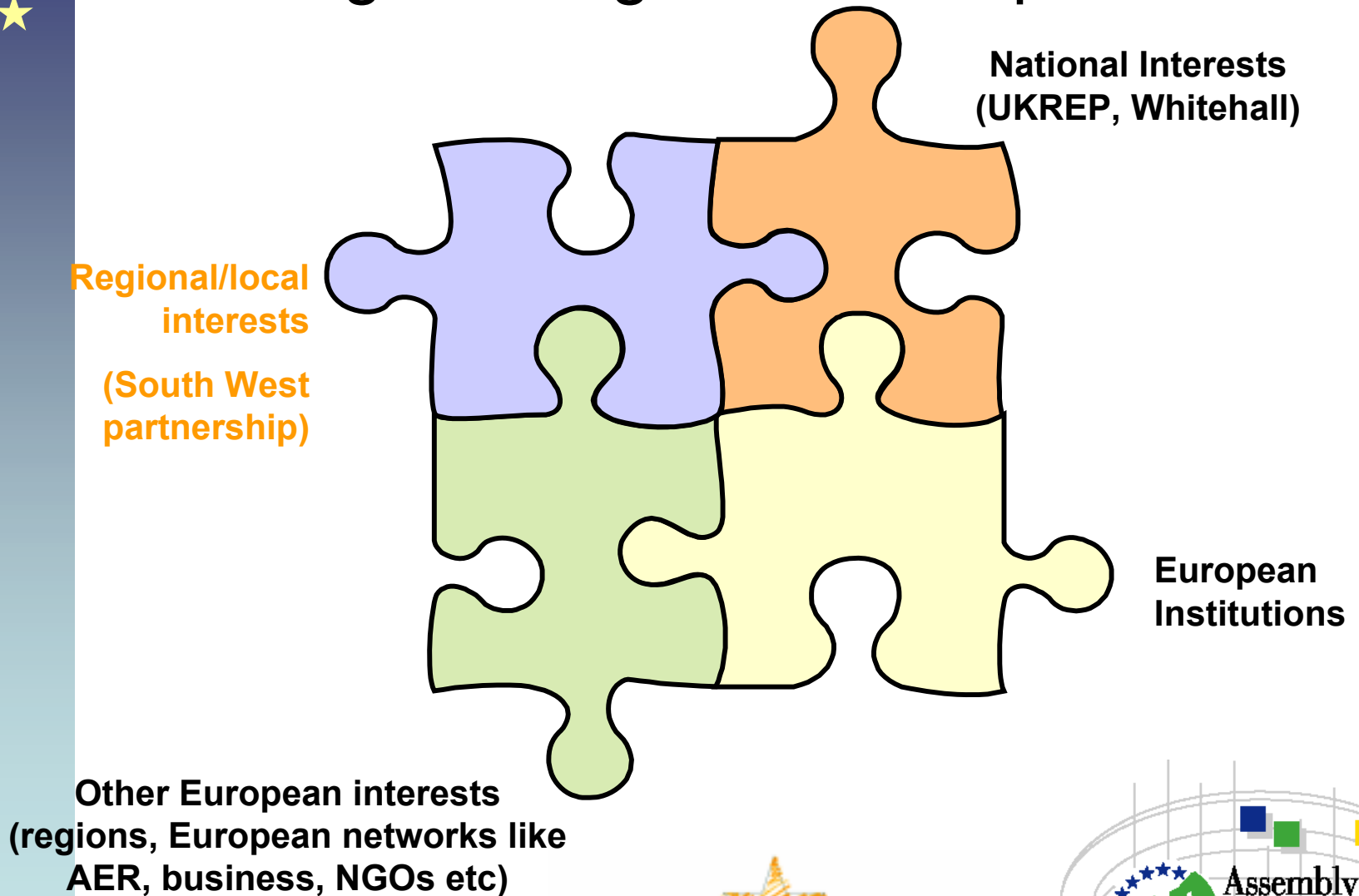


Jean Paul Judson
Trainee





Linking the Region on European Issues





SWUKBO's Project Support

- **Lobbying on EU policies and the EU Budget:** from the source
- **Development of new projects:**
 - **Awareness raising:** EU Funding Guide and Overview, Funding Roadshows
 - **Intelligence:** Briefings, early upcoming calls, enquiries
 - **Technical support** (eligibility criteria) + Support in writing projects
 - **Partner Search:** online facility; actively seek to establish partners for SW projects, link partners into EU networks/projects in Brussels
 - **Logistic Support:** hosting meetings, seminars, dissemination events
- **Support with management and profiling of existing projects**
 - Clarifications on technical issues (with EC officials)
 - Dissemination/promotional events in Brussels





Fed up or
want some more??





Thanks for your attention and interest!!



Any questions or comments?

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