BUILDING YOUR INTERVENTION LOGIC, WORK PLAN AND DRAFTING YOUR BUDGET

UIA webinars



- Third of a series of four webinars:
- > **2 February** Introduction to the UIA and the Initiative's expectations
- > 9 February Creating a UIA partnership
- > **16 February** Building your intervention logic and drafting your budget
- 23 February Planning your project management and communication strategy
- Aim: to help applicants put together an application form for the UIA second Call for Proposals
- Complements the information provided in the four applicant seminars that have already taken place

UIA – 2nd Call for Proposals



- ERDF budget: EUR 50 Million
- 3 topics:
 - Circular economy
 - Integration of migrants & refugees
 - Urban mobility
- Deadline: 14 April 2017 (2pm CET)

Building the Intervention Logic
 Drafting the Work Plan
 Drafting the Budget
 Eligibility of Costs



Building the Intervention logic (1)





Building the Intervention logic (2) Definition

The intervention logic is the way the project is designed to constitute an overall "results framework"

- Should explain how the logic of the intervention contributes to the expected results
- Constitutes the basis to assess the effectiveness of the project action plan towards the achievement of the expected results.
- Essential aspect carefully assessed during the Operational Assessment

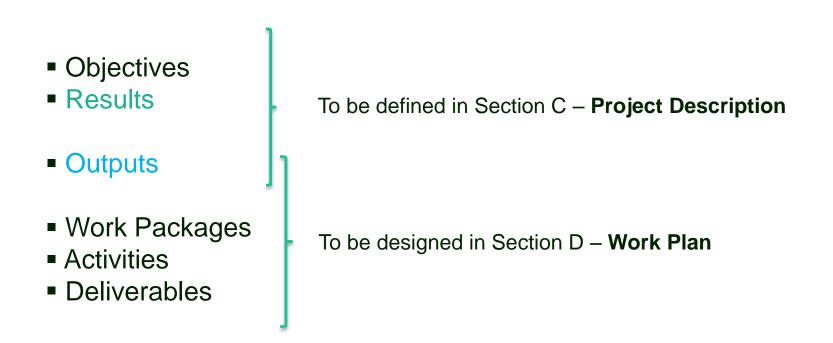
→ Intervention logic elements shall be properly described in the AF

Building the Intervention logic (3)



Main elements

The intervention logic shall be **organized through the identification of several project elements**:



Building the Intervention logic (4)



Main elements - Definitions

→ The Project Description (Section C) shall lead to the design of:

- OBJECTIVES: the ambition/ the strategic and long term change in a certain existing socio-economic situation the project intends to achieve for the benefit of the target groups
 - Can be expressed as follows: "to improve..., to reduce... to increase..."
- RESULTS: the expected mid-term change in the local situation as a result of the project
 - Can be expressed as follows: "improved..., reduced... increased..."
 - Quantitative and qualitative
 - Shall be as realistic, specific, concrete and measurable as possible
- **OUTPUTS: Main product of the project**, what has actually been produced as a result of the funding given to the project
 - They <u>directly contribute to the achievement of the project results</u>
 - Shall be as realistic, specific, concrete and measurable as possible

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Building the Intervention logic (5)



Main elements – Notion of Indicators

	Objective	Result indicator	Output indicator	
Definition	Ambition/ strategic and long term change in the existing situation the project intends to achieve	Variable that describes a relevant aspect of the intended result to measure the change in the situation	Variable that describes what will be directly produced by the project as a result of the funding given	
Example To reduce the youth unemployment rate		Youth unemployment annual percentage rate Baseline: 25% (2016) Target: 15% (2019)	 Nr. of young people accessing training Nr. of young people accessing career advise Nr. of young people accessing work experience placement 	

Baseline: the value of the indicator before the intervention has started (pre-existing/ current situation that is intended to change)

Target : the intended value of an indicator after the completion of the action plan

Building the Intervention logic (6)



Main elements - Definitions

→The intervention logic shall be reflected in the Work Plan (Section D), composed by:

• WORK PACKAGES: Main pillars of the project, constituted by a group of related project activities, required to produce project outputs.

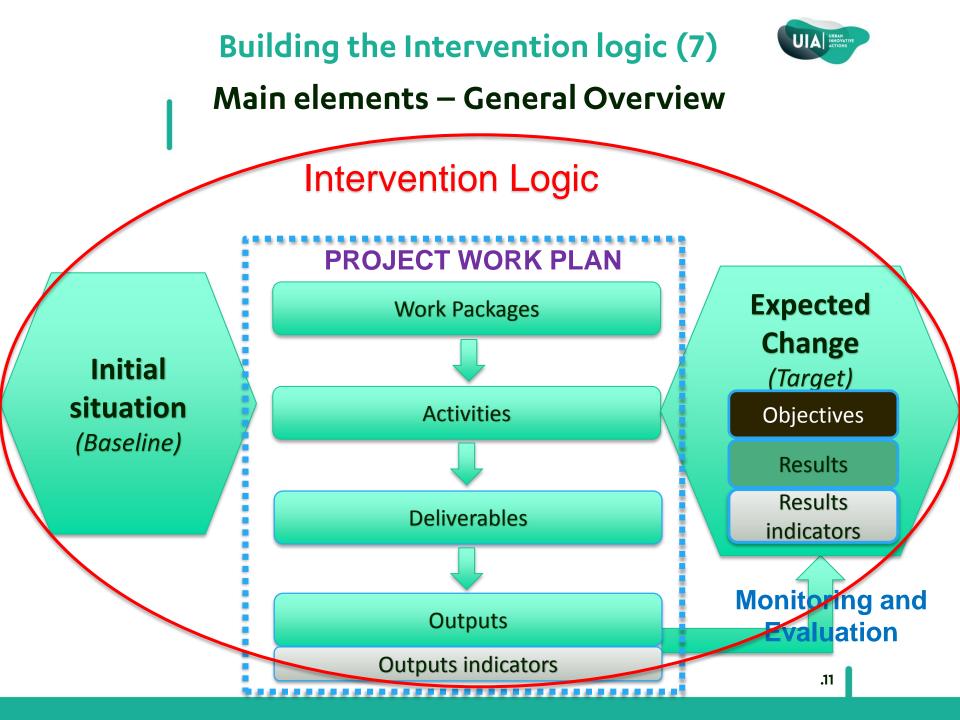
ACTIVITIES: Specific tasks performed for which resources are used.

Each activity shall result in a deliverable and/or an output.

• **DELIVERABLES: Tangible or intangible object delivered within an activity**, as a side-product of the project

- Considered as intermediary/ relevant steps in the delivery of a project output
- Shall directly contribute to the achievement of the project outputs
- At least 2 deliverables are needed to produce an output

OUTPUTS: Main product of the project, what has actually been produced as a result of the funding given to the project



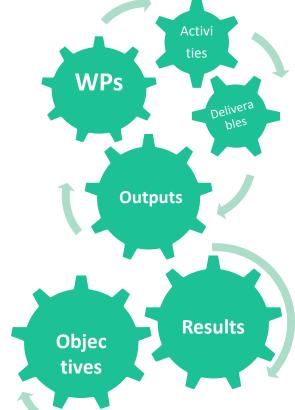
Building the Intervention logic (8)

Logical integration of the elements

To ensure a **good intervention logic**: **All** those **elements** shall be **logically interrelated**

and integrated

- Is there a clear and logical link between all these elements?
- Are the results consistent with the initial objectives?
- Are the proposed outputs going to contribute to the expected results?
- Are all the Work Packages in line with the initial objectives and the expected results?
- Is there a clear logic chain between the deliverables, outputs and activities?
- Are the proposed activities going to deliver the outputs?





Build a coherent intervention logic

- Think about a logic chain between all the elements
- Use cross-references between WPs, activities, outputs and deliverables



Building the Intervention logic (9)

Example project CURANT – City of Antwerp (1/2)

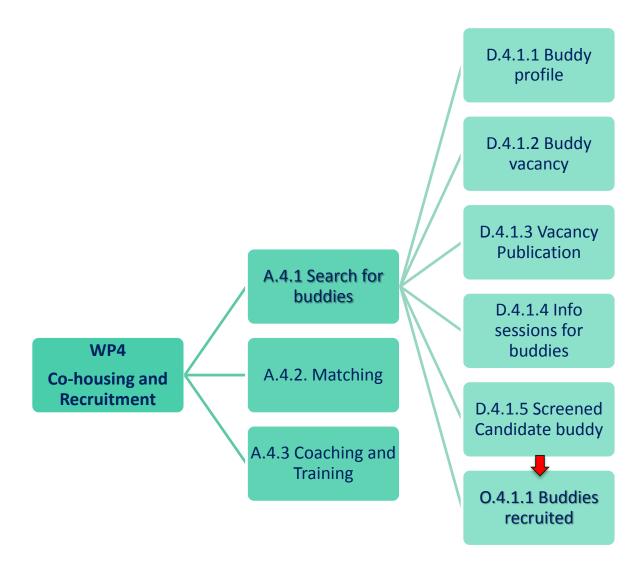
CURANT - Co-housing and case management for Unaccompanied young adult Refugees in ANTwerp

WORK PACKAGE	OUTPUTS		
	Buddies recruited		
WP4: Co-housing recruitment and matching	Buddies matched to young refugees		
	Buddies trained and coached		
	Identification of young refugees		
	Shared digital platform		
	Young refugees trained		
WP5: Case management	Social workers trained		
	Social integration strenghtened (education &		
	work)		
	Psychotrauma under treatment		
	Groundwork for evaluation		
	Report on co-housing system		
WP6: Evaluation	1st Evaluation report and working paper		
	2 nd Evaluation report and working paper		
	Policy oriented final report		
WP7: Co-housing Investments	Investing in Co-housing for 75 refugees and		
	buddies		

Building the Intervention logic (10)



Example project CURANT – City of Antwerp (2/2)



Focus on the Work Plan (1)



Definition

- The Work Plan (Section D) reflects the intervention logic and describes
 <u>how the project will be implemented concretely</u>
- The Work Plan is structured around **Work Packages** (WPs)
 - ⇒ Each WP is composed of defined **activities**, related **deliverables**, and expected **outputs**
 - \Rightarrow 3 types of WPs:

Horizontal WPs

Preparation, Closure, Management, Communication

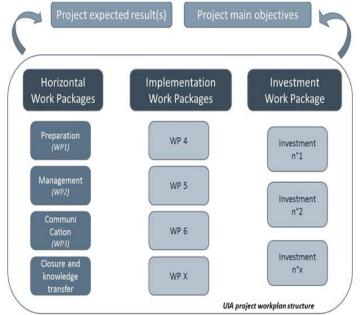
Implementation WPs

Main pillars structuring the proposed solution (4 max.)

Investment WP

For any outputs that will remain in use by the target groups after the completion of the project:

- Essential support infrastructure/ equipment for the implementation WP
- Key output for the project itself



Focus on the Work Plan (2)



How to build the Work Plan?

Creating Work Packages is a **standardized and repetitive process**:

- Responsible partner and Involved partners
- WP description in a summary box
- WP split up in several activities (max. 5 activities)
- Description of the activities + responsible and involved project partners
- Activities split up in deliverables and potentially in outputs
 - → Pay intention to describe the relevant intermediary steps to deliver the proposed output
 - \rightarrow Each Implementation / Investment WP shall lead to min. 1 output
- Implementation period (delivery dates) and target values
- Allocated resources in the WP Budget

Have a look to the « Call 2- Courtesy AF working document »

Focus on the Work Plan (3)



How to build the Work Plan?

Exception - Specific design for the Investment WP:

- Create 1 investment section per planned investment
- Specific information requested:
 - \rightarrow General description
 - \rightarrow Justification of the need for the investment
 - \rightarrow Location
 - \rightarrow Analysis of the related risks
 - \rightarrow Required documents and permits (e.g. building permits)
 - → **Ownership conditions** during and after implementation (eligibility rules)
 - Only PPs can become owners of the project investment

- → Necessary for the achievement of the project outputs and results Stand-alone investment without clear justification and added-value are not supported
- \rightarrow Proportionate to the work plan and budget => good value for money



Focus on the Work Plan (4)



Tips for Applicants (1/3)

- Activities, deliverables and outputs should include a clear description of what would be achieved in each individual element.
- Include explicit cross-references in order to facilitate the understanding of the project intervention logic; links and complementarities among activities and Work Packages.
- Please mention which partner/s will be involved in/responsible for the delivery of the activities/outputs/deliverables.
- Partners' involvement should also be reflected in their budget description.
- Pay attention to the logical time sequence between the different activities/deliverables/work packages.



Focus on the Work Plan (5)



Tips for Applicants (2/3)

- If the deliverable is of a repetitive nature (i.e. newsletter) please include the last delivery date. In the description specify the start date and when they are expected to be delivered in between (i.e. month 3 – month 4).
- Target values for deliverables and outputs should capture the quantity of deliverables/outputs produced, not the expected number of beneficiaries (this should go in the activity description).
- After the submission of the AF do not forget to submit the Confirmation Sheet before the closure of the call.



Focus on the style of writing your proposal Tips for Applicants (3/3)

1. Before writing

Who is my reader?
 What does he/she need to know?

- How can I best lead my reader through the information (logical flow)?

- Revise the ToR, UIA guidance and support material

2. While writing

 Be short and straightforward
 Make your introduction text summarize what is to come (i.e: summary of each WP and description of activities)

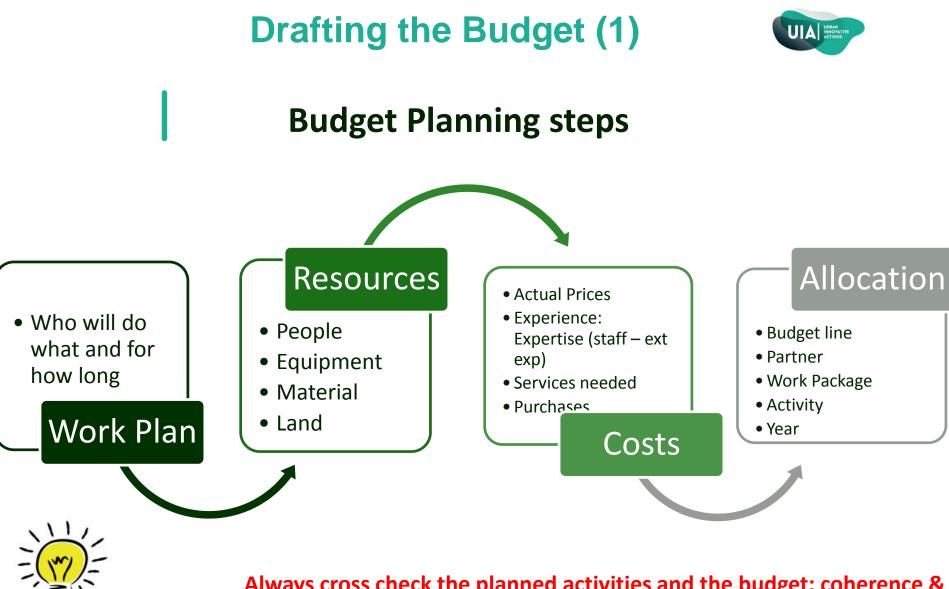
- Be personal (we, us, our, ...) to bring the reader closer to the information Who What Why Where When How

3. When you have finished writing

- Read and revise your AF
- Ask someone else to read it
- Make changes (if needed)



Character limits



Always cross check the planned activities and the budget: coherence & correspondance

Drafting the Budget (2)



Main principles of eligibility of costs

- Compliance with EU, national, institutional and UIA rules (strictest rule applies)
- Sound financial management
 - Related to activities listed in the AF
 - Be incurred and paid by PPs
 - Be identified, verifiable, plausible and in compliance with the relevant accounting principles
 - Efficiency, economy and effectiveness principles
- Main points of vigilance :
- Expenses invoiced between partners is not allowed
- Double financing is not allowed
- Revenues generated by project activities
- Public procurement procedures need to be respected



Drafting the Budget (3)



Budget lines

6 budget lines to report the planned costs:

- Staff
- Office and administration
- Travel and accommodation
- External expertise and services
- Equipment
- Infrastructure and construction works
- For each budget line: definition, principles and audit trail are provided in the UIA guidance (section 4)

http://www.uia-initiative.eu/fr/participer-un-projet-uia/guidances

Drafting the Budget (4)



Budget lines

1. Staff

- Gross employment costs of persons employed directly by the partner organisation and working full or part time on the project
- Based on real costs
- Staff assignment (no timesheet)
- Unpaid voluntary work ineligible
- 2. Office and administration
- Operating and administrative expenses of partners
- Flat rate of 15% of reported staff costs
- Guidance: exhaustive list (can't be claimed under any other BL)

Drafting the Budget (5)



Budget lines

- 3. Travel and accommodation
- Based on real costs
- To be in line with the partner's T&A rules
- T&A outside of the EU eligible (AF or approved beforehand by PS)
- 4. External expertise and services
- Professional services provided by external service providers contracted to carry out certain activities linked to the delivery of the project.
- Based on real costs
- Includes T&A costs of external service providers
- Includes schemes supporting the distribution of financial support given as a reward following a contest (e.g. vouchers)
- Costs related to UIA Experts and Auditors are covered by UIA

Drafting the Budget (6)



Budget lines

5. Equipment

- The extent of the eligibility depends on the nature of the equipment
 - \rightarrow Used for the project implementation activities: Pro-rata depreciation value
 - \rightarrow Considered as (part of) a project investment: Full purchase price eligible
- Second hand equipment is eligible provided not originally acquired with EU funds
- 6. Infrastructure and construction Works
- Includes: purchase/provision of land, purchase/provision of real estate, site preparation, delivery, handling, installation, renovation...
- Purchase/ provision of land = max. 10% of the total project budget
- To be included in an investment
- Ownership: project partners (at least 5 years after last ERDF payment)

Drafting the Budget (7)



Ineligible expenditures

- VAT unless it is genuinely and definitely borne by the project partner
- Interests on debts
- Exchange rate losses
- National banking charges
- Fines, financial penalties and expenditure on legal disputes and litigation
- Unpaid voluntary work
- Any costs incurred before the project start date and after the project end date as these project phases are covered by lump sums
- Communication material that is not in line with the UIA rules on communication
- Gifts (except promotional giveaways)
- Tips
- Fees between partners of the same project for services, supplies and work carried out within the project
- Costs related to the contracting of employees of the partner organisations as external experts
- Non-exhaustive list

Drafting the Budget (8)



Partners contributions (Section F of the AF 1/2)

Funding principles: Total Costs

- ERDF co-financing: max. 80%
- Partner contribution: at least 20%

Co-financing principle: every PP needs to secure 20% at least of contribution to complete its budget

- From own resources or other resources
- Public or private resources
- In the form of cash and/or in-kind contribution
- but NOT from another EU funding source

PART F - Source(s) of partners' contribution

PP1 – Name of the Partner

Name of the Organisation/ Source of Contribution	Legal Status	% of Total Partner Contribution	Amount (€)	Cash or in- Kind contribution	Comment
Total (€)					Contribution Target: This is automatically calculated by the system



Paid staff to be considered as « in-cash » contribution

PP total contribution = contribution target authomatically calculated in EEP

Drafting the Budget (9)



In-kind Contribution (Section F of the AF 2/2)

- It refers to **non-cash contributions** given to projects **that have a monetary value**, however for which they are not charged.
- They should be necessary to carry out the tasks and achieve the project objectives.
- In-kind contributions may be eligible provided specific conditions are met (Guidance p62).

Eligible in-kind contribution can be: goods, land and real estate, equipment, studies services or rents under the framework of the UIA Initiative.

- Can be budgeted and declared in the following budget lines:
 - ✓ External expertise and services
 - ✓ Equipment
 - ✓ Infrastructure and construction works

Drafting the Budget (10)



Other points of attention

Revenues

 all net revenues generated during and after the project implementation (including those not foreseen at the application stage) to be **declared** (listed or not in the AF)

Public procurements (First cause of findings during financial controls)

- European, national, Institutional and UIA rules
- PP considered as 'contracting authorities' in line with national public procurement rules must comply with them for UIA projects when procuring goods, services or public works
- All PP procedures should be well documented and allow for an audit trail
- Compliance with principles of transparency, effective competition, nondiscrimination, equal treatment (even below thresholds)
- Non-observance of UIA rules for purchases by private partners may result to a 10% correction of the value of the contract that is reported to the UIA

Drafting the Budget (11)

Project budget tips

- 1. Be realistic when planning your budget (check real costs market value)
- Project budget should reflect project partners' involvement in the activities planned
- 3. Tell partners how to plan the budget and what is possible/
- 4. Be aware that budgeting takes time. Start early enough
- 5. Involve financial experts of your partners' organizations
- 6. Realistic approach to the inevitable delays at project start
- 7. Guess-based budgets and unrealistic costs are dangerous
- 8. Excessive costs (staff, external experts, equipment ...) are dangerous





State aid (1)



Principles

• List of 5 cumulative criteria:

- Aid granted to undertakings (economic activity) +
- from State resources+'imputability' +
- Selectivity +
- Advantage +
- potential distortion of competition + effect on trade between Member States
- Art. 107 TFEU: Any measure qualifying as State aid is prohibited, save as otherwise provided in the Treaties
- Objective of State aid control is to avoid distortions of competition by preserving normal market conditions.
 - Check for the presence of State aid
 - Check for grounds of compatibility/need to notify

State aid (2)



In practice

- **Distinction to be made** between funds coming from:
 - ERDF (UIA funding max. 80%)
 - o PP contribution (public or private local contribution min. 20%)
- → State aid compliance shall be checked at both levels:
- The ERDF funding is state aid compliant provided: max. 500,000 EUR is granted per individual undertaking (PP) involved in specific project
- **The local contributions** are state aid compliant provided:
- They come from **private sources** (fall outside the context of State aid law)
- They come from the partner own financing and do not provide any advantage to any other PP
- Otherwise: assessment on the basis of the activities to be undertaken by PPs as described in the submitted AF (5 cumulative criteria)





In practice

• <u>Rule</u>: If State aid is present, it needs to be notified to DG COMP

• <u>Exceptions</u> to the rule:

- De Minimis Regulation (EUR 200,000)
- General Block Exemption Regulation (GBER)
- SGEI decision / Reg. 1370/2007 on land public passenger transport services
- Measure under an notified scheme
- Non-notified aid that should have been notified is 'unlawful'



Where can you get guidance?

- National State Aid Competent Authorities
 - o <u>http://ec.europa.eu/competition/state_aid/overview/contacts.html</u>
- Regional and local State aid support schemes set up by in some MS
- e-State aid WIKI platform
 - is hosted by the Commission and allows MS to post queries about implementing State Aid requirements and receive responses.
- European Commission (pre-notification with COMP)

2nd Call for Proposals – next steps



- 1 more **webinar**:
- 23 February Planning your project management and communication strategy
- Submission deadline: 14 April 2017
- Estimated date of approval: October 2017
- Approved projects start: 1 November 2017



Questions & Answers



For more information

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