



SEMINAR

# Project Development & Application

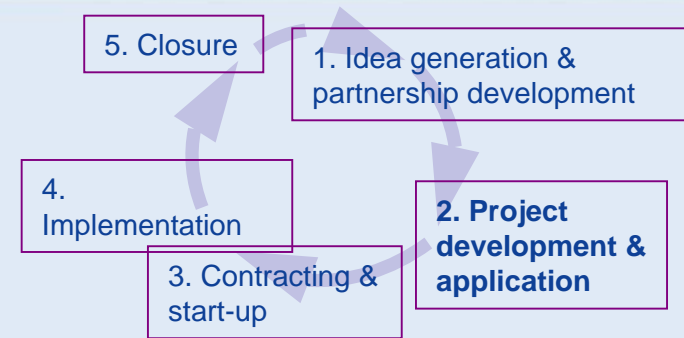
**Territorial Cooperation Project Management**

15-16 May 2008

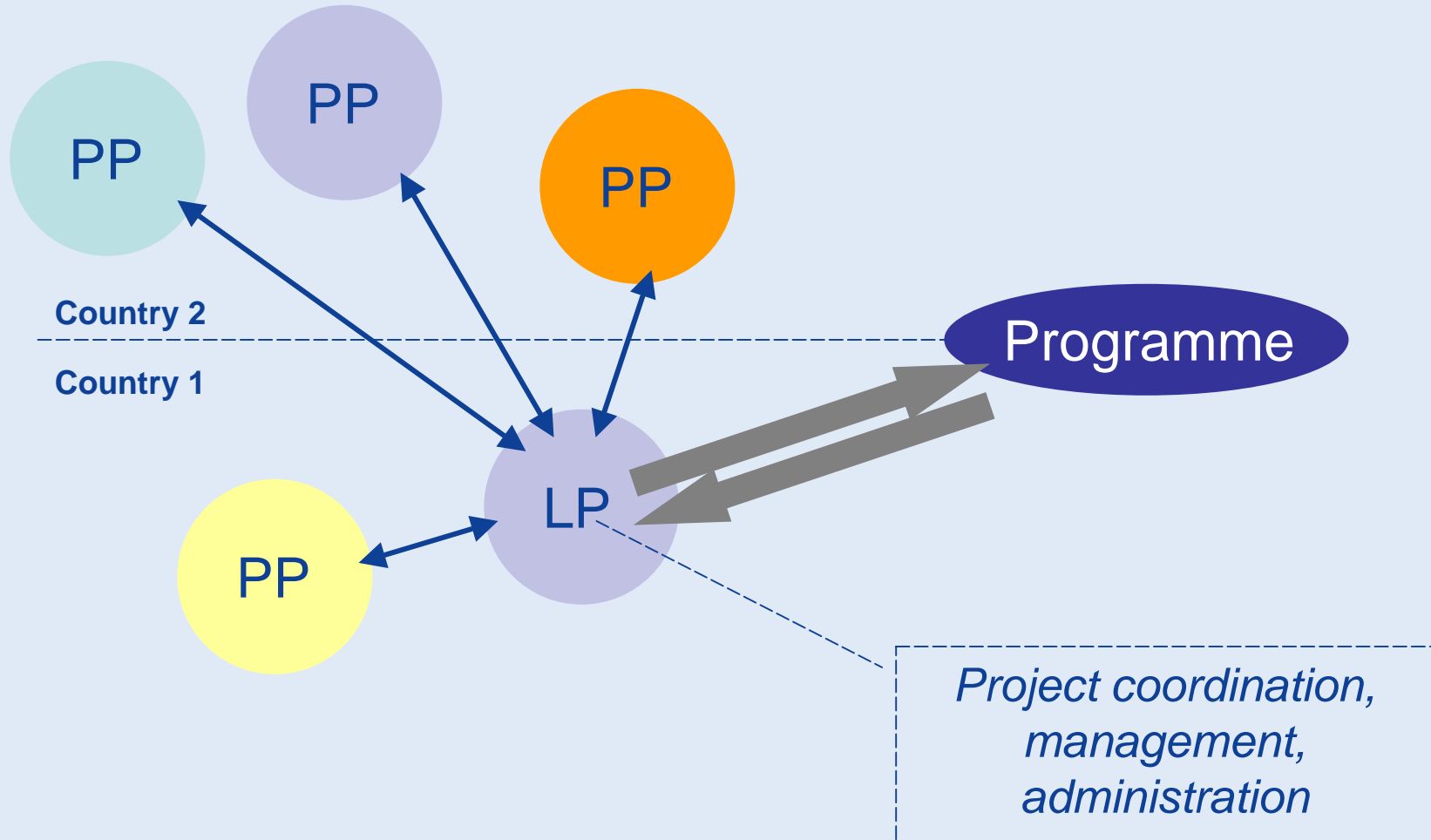
Bucharest

# What happens at this stage?

- Deciding on the Lead Partner
- Setting objectives
- Refining details of the project proposal and funding request
  - context, expected results and impact
  - implementation and resource schedules
- Preparing the project budget
- Strengthening contact with the programme
- Setting project indicators
- Submitting the application



# Lead Partner and partner structure



### Why has the Lead Partner Principle become compulsory?

- Criticism that many projects in the current programmes do not involve genuine cooperation: They are regional projects and do not need to be carried out under INTERREG.
- The Lead Partner Principle has been developed to ensure cooperation by building it into the partnership structure.

# Formal LP responsibilities with the LPP

<b>Development &amp; application</b>	<ul style="list-style-type: none"> <li>• Coordinates partner input</li> <li>• Drafts and submits the application</li> </ul>
<b>Co-financing</b>	<ul style="list-style-type: none"> <li>• Secures Lead Partner co-financing</li> <li>• Ensures that partners have letters of commitment for co-financing</li> </ul>
<b>Contracts</b>	<ul style="list-style-type: none"> <li>• Signs contract with the MA on behalf of the partnership</li> <li>• Draws up Partnership Agreement incl. provisions for sound financial management and recovery of amounts unduly paid</li> </ul>
<b>Implementation</b>	<ul style="list-style-type: none"> <li>• Overall responsibility for ensuring implementation</li> </ul>
<b>Finance &amp; reporting</b>	<ul style="list-style-type: none"> <li>• Checks that partners' expenditure has been validated by approved controllers</li> <li>• Ensures that reported spending has been incurred on agreed activities</li> <li>• LP controller signs a declaration that they have received properly certified statements of expenditure from project partners (no assessment of the quality of partner control)</li> </ul>
<b>Payments</b>	<ul style="list-style-type: none"> <li>• Receives programme payments and transfers them to the partners</li> </ul>
<b>Irregularities</b>	<ul style="list-style-type: none"> <li>• Pay back the programme immediately for any irregularity detected in partner expenditure.</li> <li>• Recovers funds directly from the project partner</li> </ul>

# Formal partner responsibilities with the LPP



<b>Development &amp; application</b>	<ul style="list-style-type: none"><li>• The project and the application are jointly developed and agreed by the partnership</li><li>• All project partners agree jointly on who will be LP</li></ul>
<b>Co-financing</b>	<ul style="list-style-type: none"><li>• Secure co-financing in time to include letter of commitment with application</li></ul>
<b>Contracts</b>	<ul style="list-style-type: none"><li>• The Partnership Agreement must be signed by all project partners. They commit to deliver all approved activities and live up to financial responsibilities</li></ul>
<b>Implementation</b>	<ul style="list-style-type: none"><li>• Responsible for carrying out the activities assigned to it in the application and partnership agreement</li></ul>
<b>Finance &amp; reporting</b>	<ul style="list-style-type: none"><li>• Responsible for ensuring that own expenditure has been certified by the approved controller</li><li>• Ensure that certification and other documents are provided before the Lead Partner's deadline.</li></ul>
<b>Irregularities</b>	<ul style="list-style-type: none"><li>• Responsible for any irregularity in the own expenditure declared.</li></ul>

- KEY: LPs need to allocate **resources for project management**. All partners need to allocate **resources for cooperation**
- Increased importance of good project **development support** by the programmes as there is a strong need for information
  - LPs need to know their responsibilities and communicate key points to the whole partnership
- LP projects generally require a **longer project development phase**
  - establishing the partnership, roles in project work packages and the budget split between partners

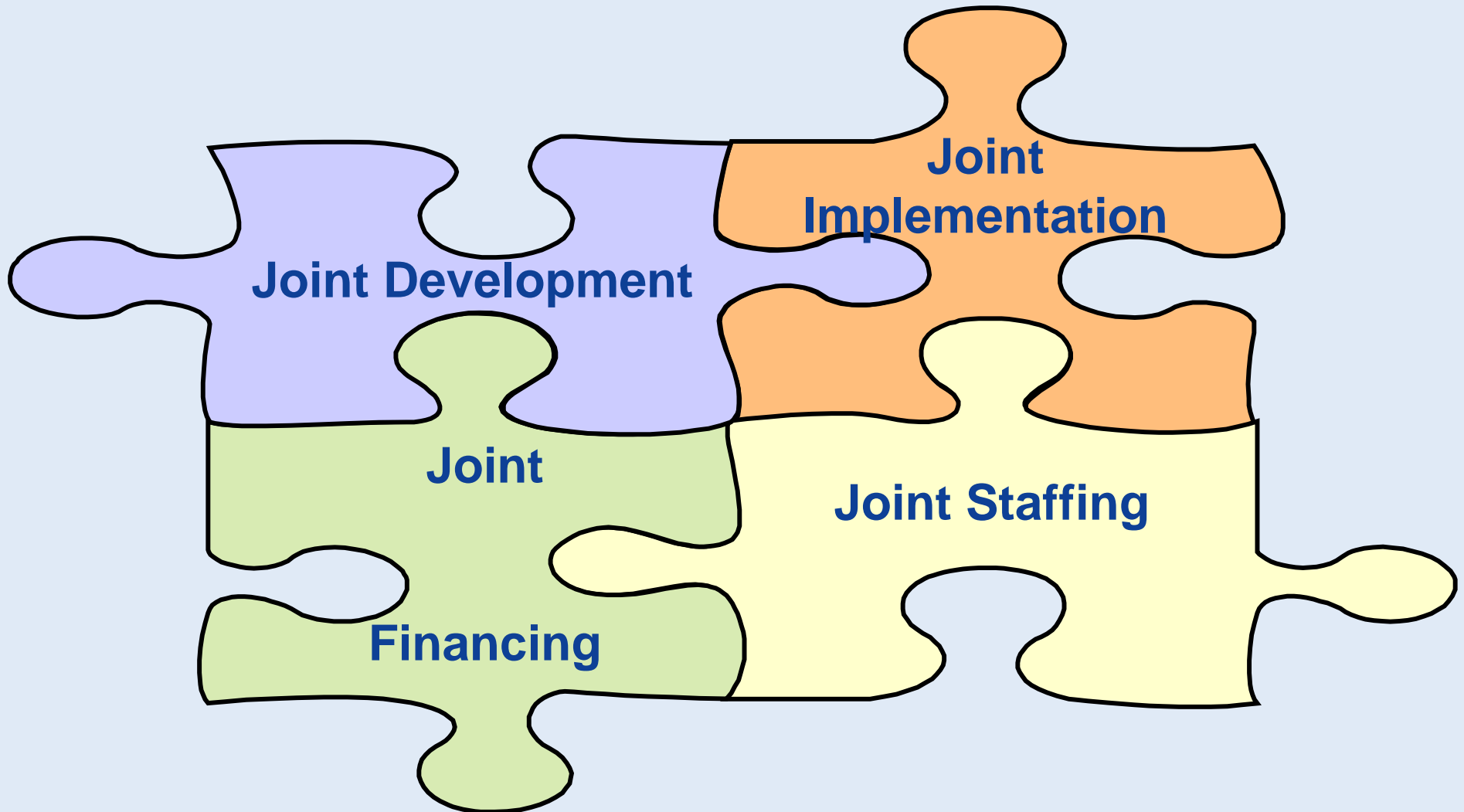
## Why becoming a Lead Partner?



- Providing leadership! And not being responsible to another partner.
- Gaining a higher profile at national/EU levels for the organisation.
- Learning through engagement with the Programme/ COM.
- Expand international working relationships at lead partner events and pick up contacts and ideas.
- Leading the team and having greater control over content, project and financial management and delivery.
- Leading the relationship with the JTS.
- Often securing a higher share of the budget.



# Four Cooperation Criteria



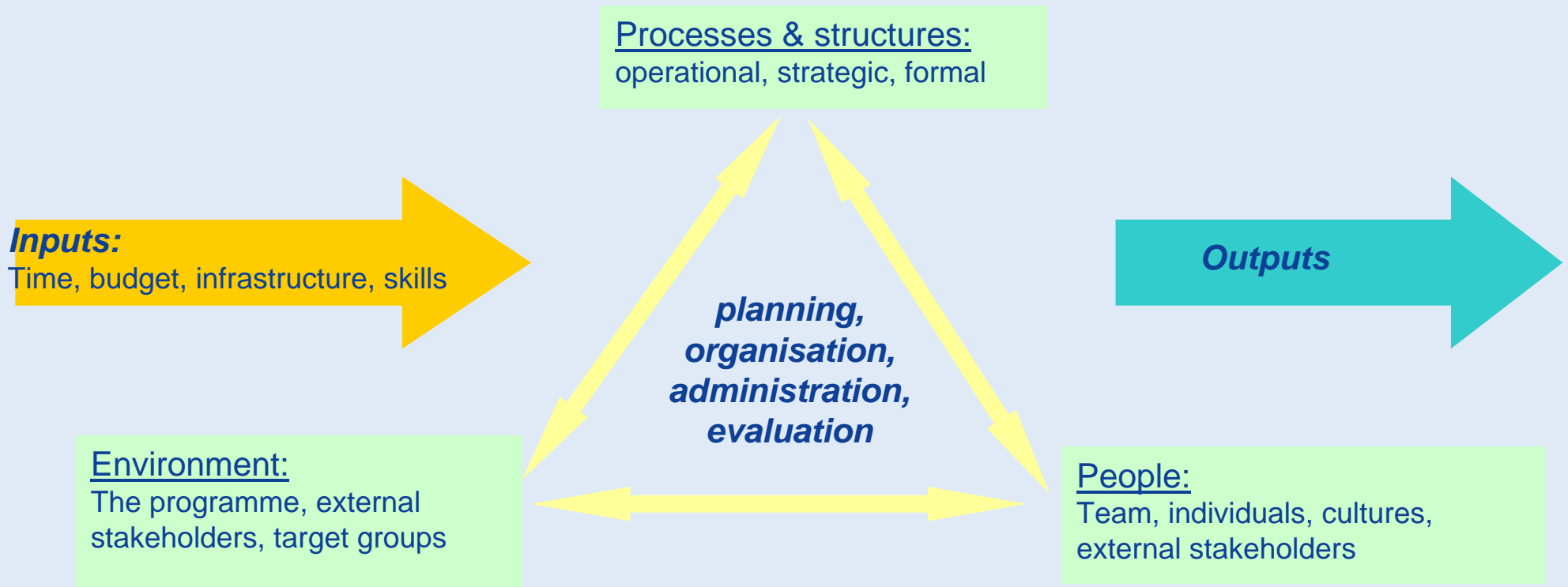
Ground rules for true cooperation projects

# The LP as project manager

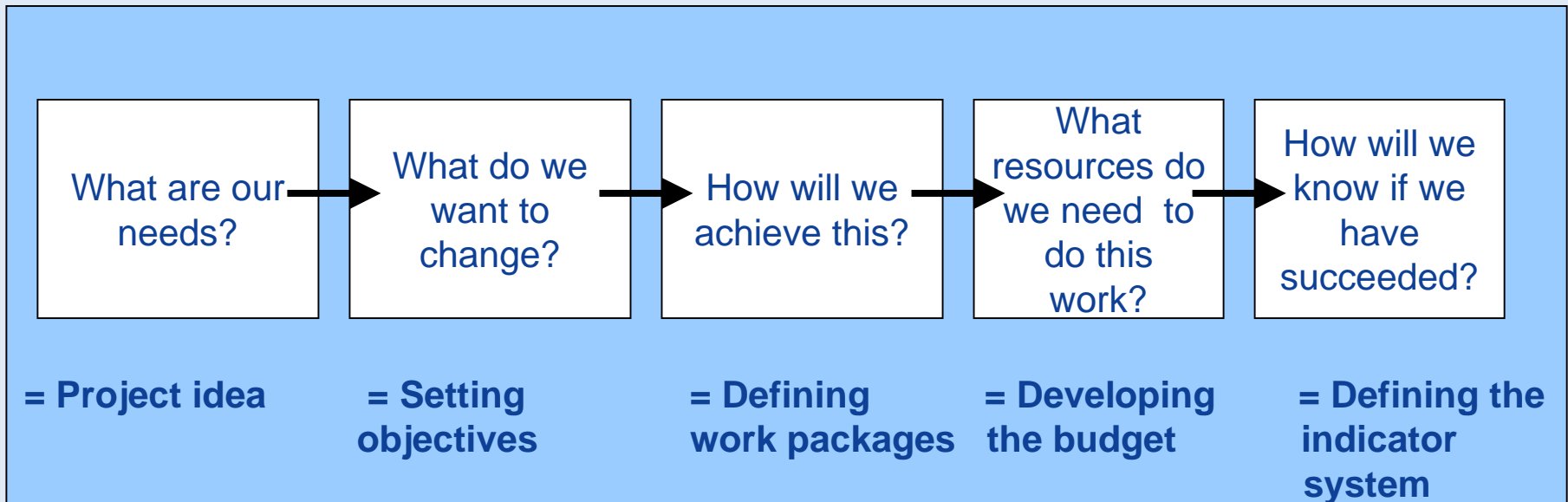


- Capacity, experience
  - knowing the subject area, management experience, contacts & networks, EU programme experience, sufficient resources and financial capacity
- Active coordination
  - strategy and planning, coordinating inputs/ partners/ stakeholders, monitoring progress and timing, negotiating with partners and stakeholders, risk and change management
- Communication & information
  - maintaining partner commitment/motivation/pace, being the link/ communication channel between programme and partners, providing support and advice where needed, managing cultural issues, safeguarding the 'human dimension'
- Financial management
  - ensuring that all partners know the requirements and have access to any other relevant information and materials

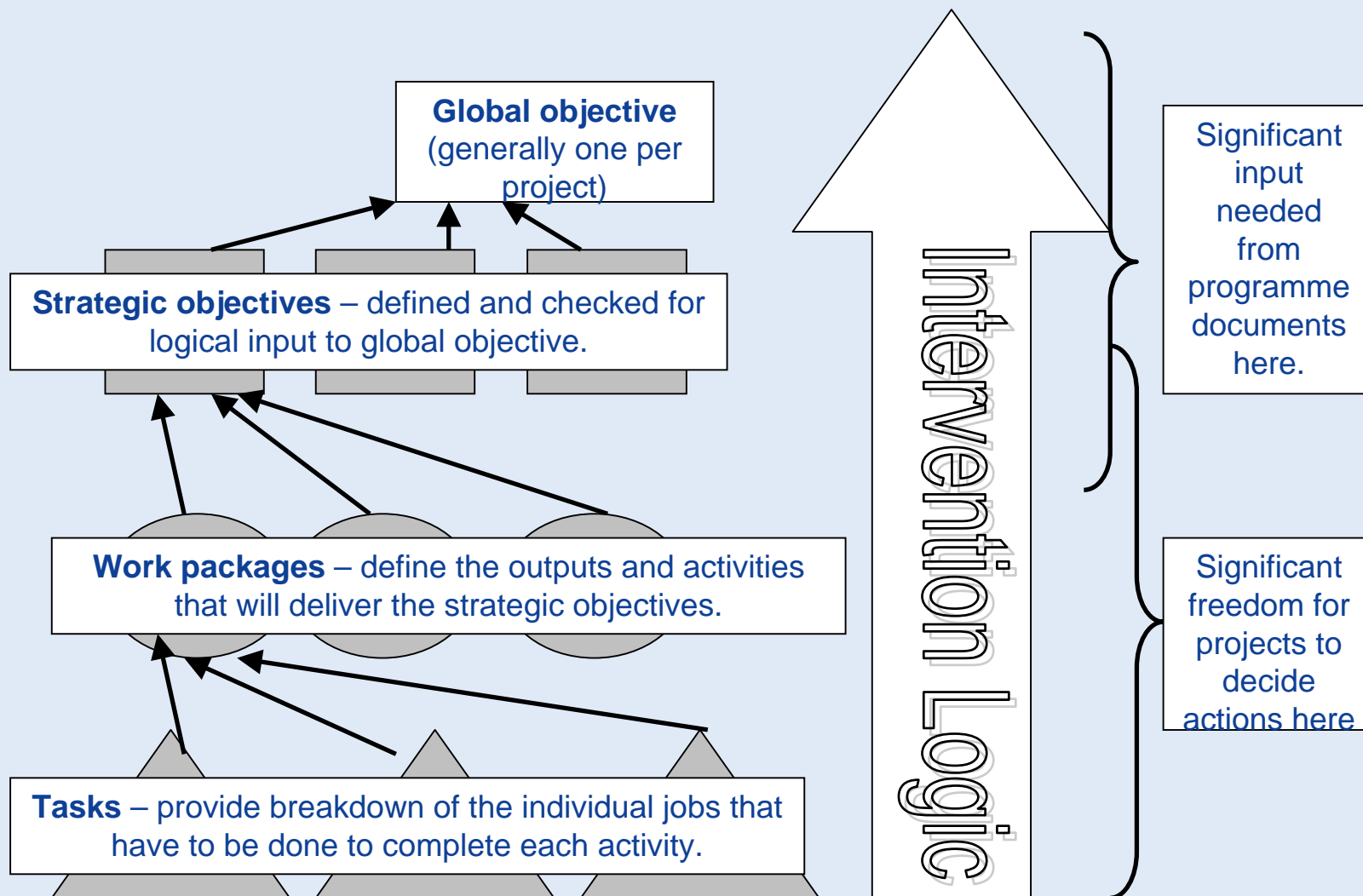
# What needs to be managed?



# From idea to application



# Project planning elements



## Setting objectives: different types

Global, visionary objectives	What <i>impact</i> is the project going to have in the longer term? – The overall aim of the project
Concrete, strategic objectives	What end <i>results</i> will we achieve with the project? What are the success criteria?
Operational objectives	What are the core (measurable) <i>outputs</i> going to be?

**S**  
**M**  
**A**  
**R**  
**T**

Specific: is it directly related to the project?

Measurable: can it be defined in terms of quality and quantity that can be assessed?

Achievable: is it within the scope of the project (relationship between resources, time and quality)?

Relevant: does the objective really relate to what the project is trying to achieve?

Time-related: how long will it take and when will it be completed?

Define objectives for the case study project.

- Define one objective per level
- Ensure linkages between the 3 different levels
- Apply SMART criteria to one of the (operational) objectives

## Why planning?

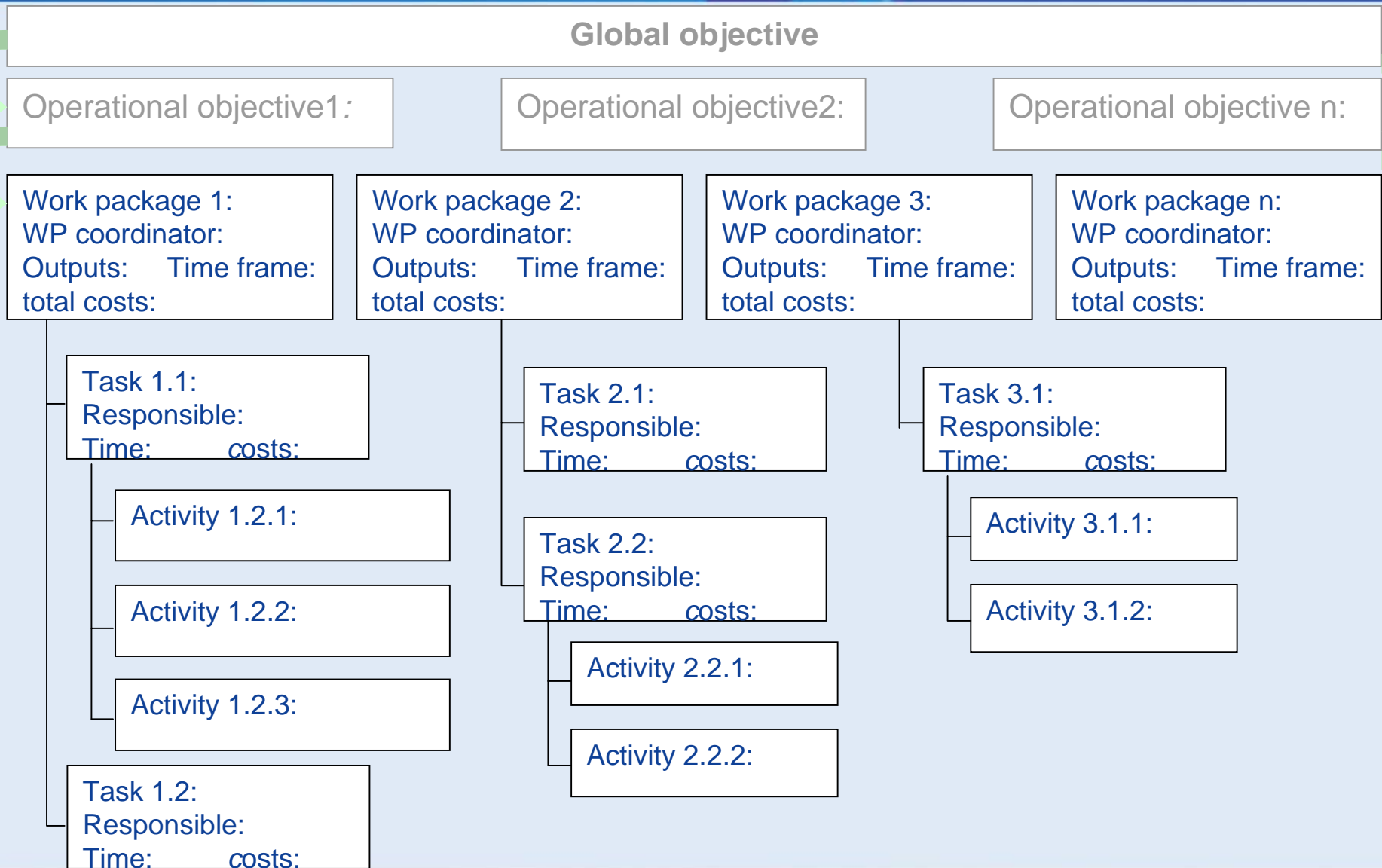


- ✓ Clarity about common objectives
- ✓ Certainty about individual responsibilities and resources required
- ✓ Easy generation of the post-approval work plan
- ✓ Readiness for implementation
- ✓ Initial team building
- ✓ Limitation of risk or failure

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⇒ **Realistic and achievable project plan**  
⇒ **Increased partner commitment**

# Developing the work packages



## Work package checklist



- ✓ Logical split of work packages to achieve all objectives
- ✓ Complete set of tasks and activities to implement each work package
- ✓ Non-thematic work packages are included (project management, publicity/ dissemination, etc.)
- ✓ Tasks are distributed amongst partners according to the resources they provide
- ✓ Measurable outputs are defined for each work package

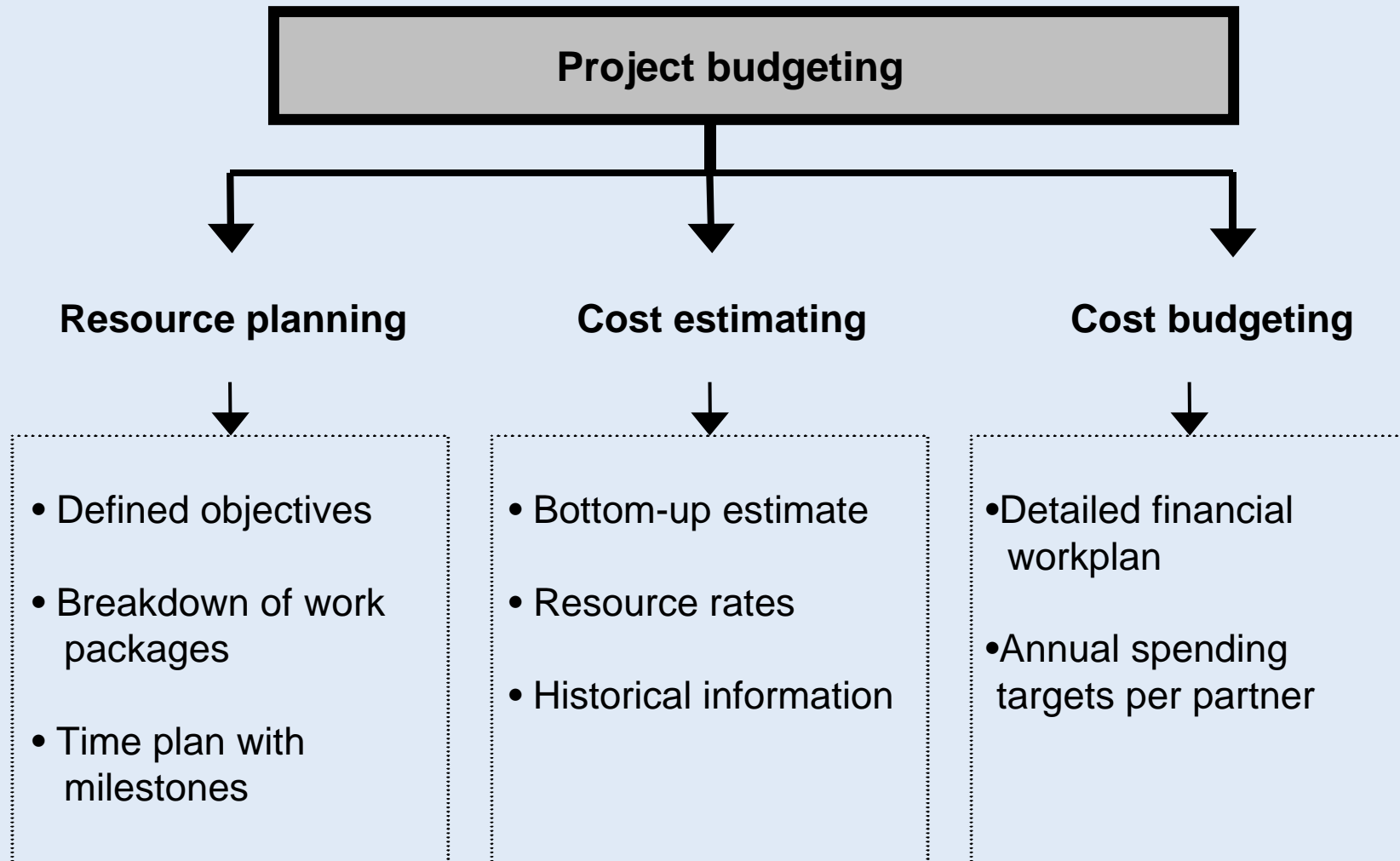
Elaborate one of the work packages for the case study project.

- Specify activities for the main tasks given
- Specify general resources and responsibilities per main task

- No shortcuts are available
- No standard budgets are available
- Guess based budgets will be increasingly dangerous

BUT

- Good tools are available



- Define activities and tasks based on objectives
- Put these on a timeline with key milestones / deadlines

## Cost estimating



- What resources (people, equipment and materials) are needed for each activity?
- What is the cost for each resource?
- Define a reasonable maximum for 'unknowns'
- Use previous experience
- Keep safety margins low
- Have you remembered coordination costs and indirect costs?

- Allocate resource costs to budget lines
- Allocate budgets per partner/per year
- Make sure that partners' internal accounting systems are able to provide information on the programme's budget lines!

- Staff costs
- External experts and consultants
- Travel and accommodation
- Meetings, conferences, seminars + promotion & publication
- Equipment & infrastructure
- Overheads, general costs
- VAT
- In-kind contributions
- Revenues
- Ineligible costs

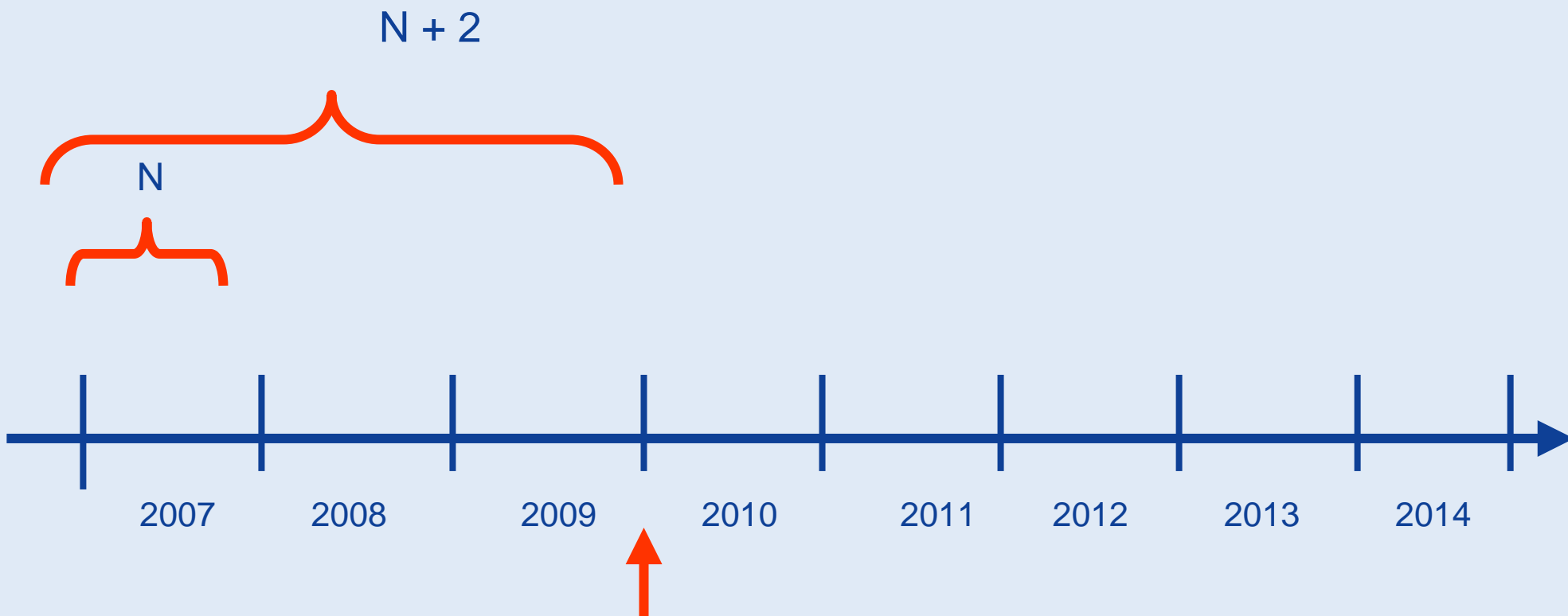


## Project budget danger signs



- Unrealistic spread of funds across project lifetime
- Uneven split of funds across partnership
- Partners not contributing co-financing
- Excessive staff costs
- Excessive external experts costs
- Unrealistic figures

# Deadlines for de-commitment



De-commitment applies to projects as well

- Budgeting takes time
- Bad budgets are a common reason for project rejection
- When bad budgets are approved, problems can be expected later

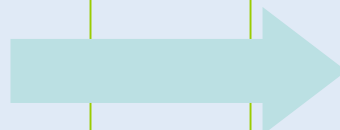
Pick up a main task and budget the activities defined earlier:

- Use the activities identified;
- Allocate resources to budget lines;
- Focus on the logic for calculating the budget lines.

# What is a good indicator system?

**unit + value = indicator**

**Situation at the *start*  
of the project:  
baseline**



**Situation at the *end* of  
the project:  
target**

***set SMART indicators!***

## Types of indicators

Outputs	What has actually been produced?	<b>products of the activities</b> , e.g. number of reports written or seminars held, km of riverbed cleaned, number of innovation centres opened
Results	What is the benefit of the outputs?	<b>immediate advantages of carrying out the activities</b> e.g. number of regional policy changes, participants in training, % reduction of pollutants in a river system, number of business start-ups
Impacts	Have the results caused the desired improvements?	<b>sustainable long-term benefits of an activity</b> e.g. fall in number of long-term unemployed, % increase in regional GDP

# How to strengthen the project impact?



- In the new period projects are not required to define impact indicators (though programmes may require it)
- However projects **are expected** to be able to predict what the likely impacts will be from their activities
- Need to analyse the **processes** that may realistically lead to achievement of results and impacts

## ***PROCESS MONITORING OF IMPACTS***

## What is it?

- Presentation of the programme logic, focusing on the effects
- Tool: **process impact diagrams**

## How is it used?

- Used to underpin programme/project monitoring structure
- Focuses on the cause-effect relationships and classifies effects into near and long-term ones
- Is used together with project indicators and analyses the logical link between them

## 4 main steps:

- Identification of main effects (results and impacts)
- Agreeing on the likely way they will be achieved
- Defining areas of observation for monitoring these processes
- Data assembly and interpretation

# Process impact diagrams

## Example: CB\* business network

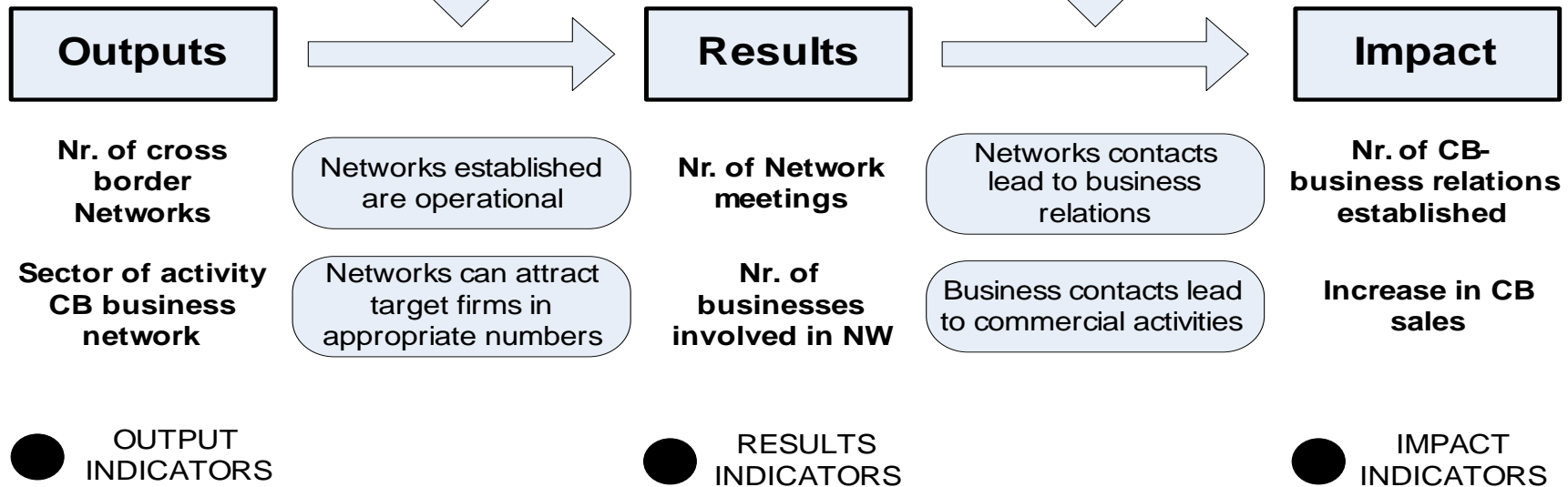
**CB Businesses network established in target sectors**

**Networks are active and function effectively**

**Improve CB business relations and economic activity for firms**

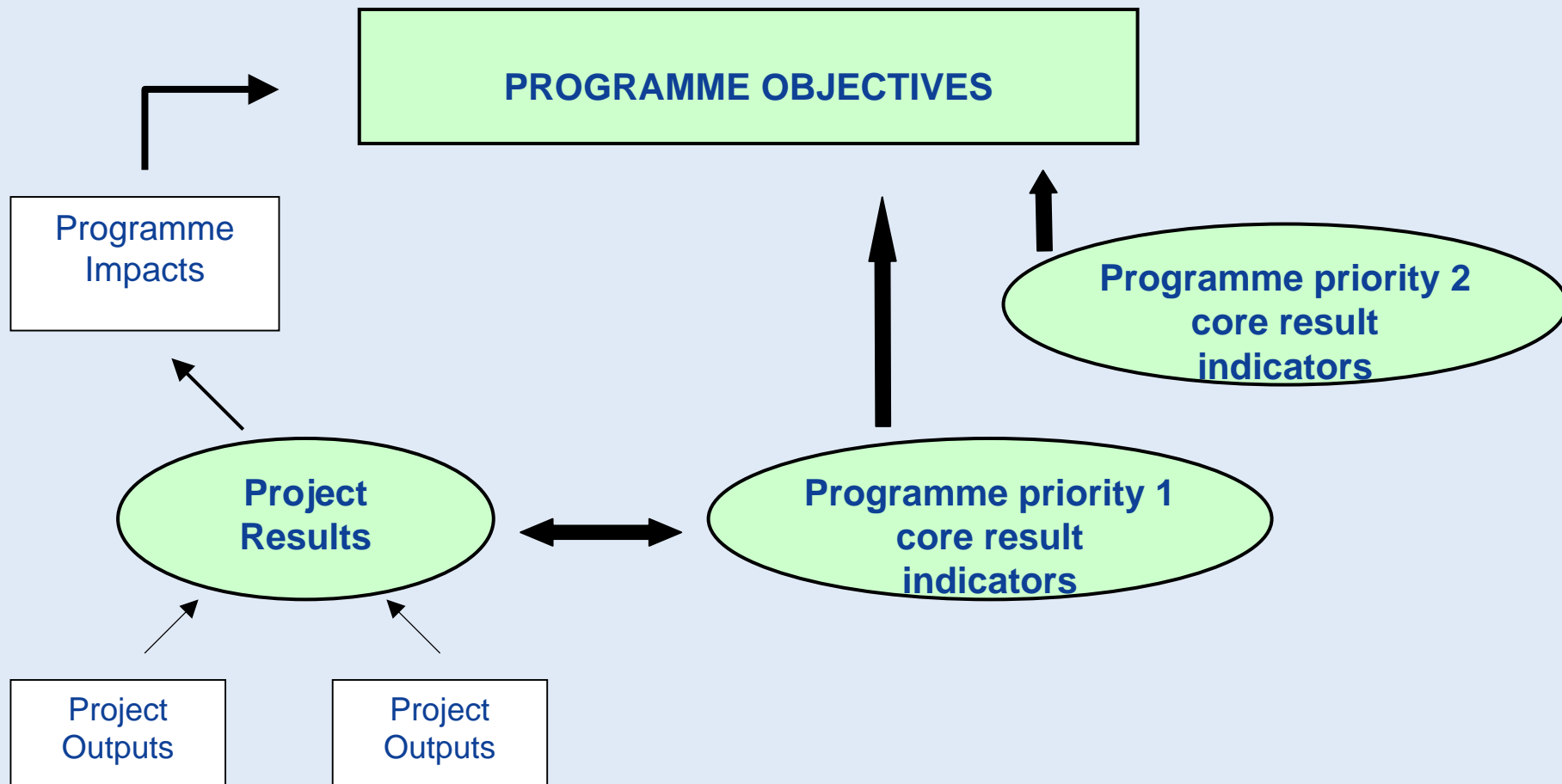
How should outputs be used to produce results ?

How should results lead to impact ?



\*CB: Cross Border

# Links to the programme



# How to develop good project indicators?



- Links to project aim and objectives
- Links to the programme
- Nature of outcomes envisaged
- Target groups

## Tips for developing indicators



- Discuss the choice of indicators with all partners and relevant stakeholders if possible
- List project outcomes (immediate and long term as far as possible) – set indicators for those that are measurable
- Devise criteria for setting up the indicators, e.g. simplistic, realistic, etc.
- Make sure there is sufficient baseline data to benchmark progress
- Be flexible to change the indicators in the project preparation phase - some of the indicators may also require adjustment during implementation

- Review the indicators outlined in the case study allocated to your group in relation to:
  - Are outputs and results well defined?;
  - Logical link between outputs and results;
  - Link to project objectives – do they contribute to them?
- Based on your conclusions can you propose improvements to the indicator structure?

## *Don't underestimate the resource input!*

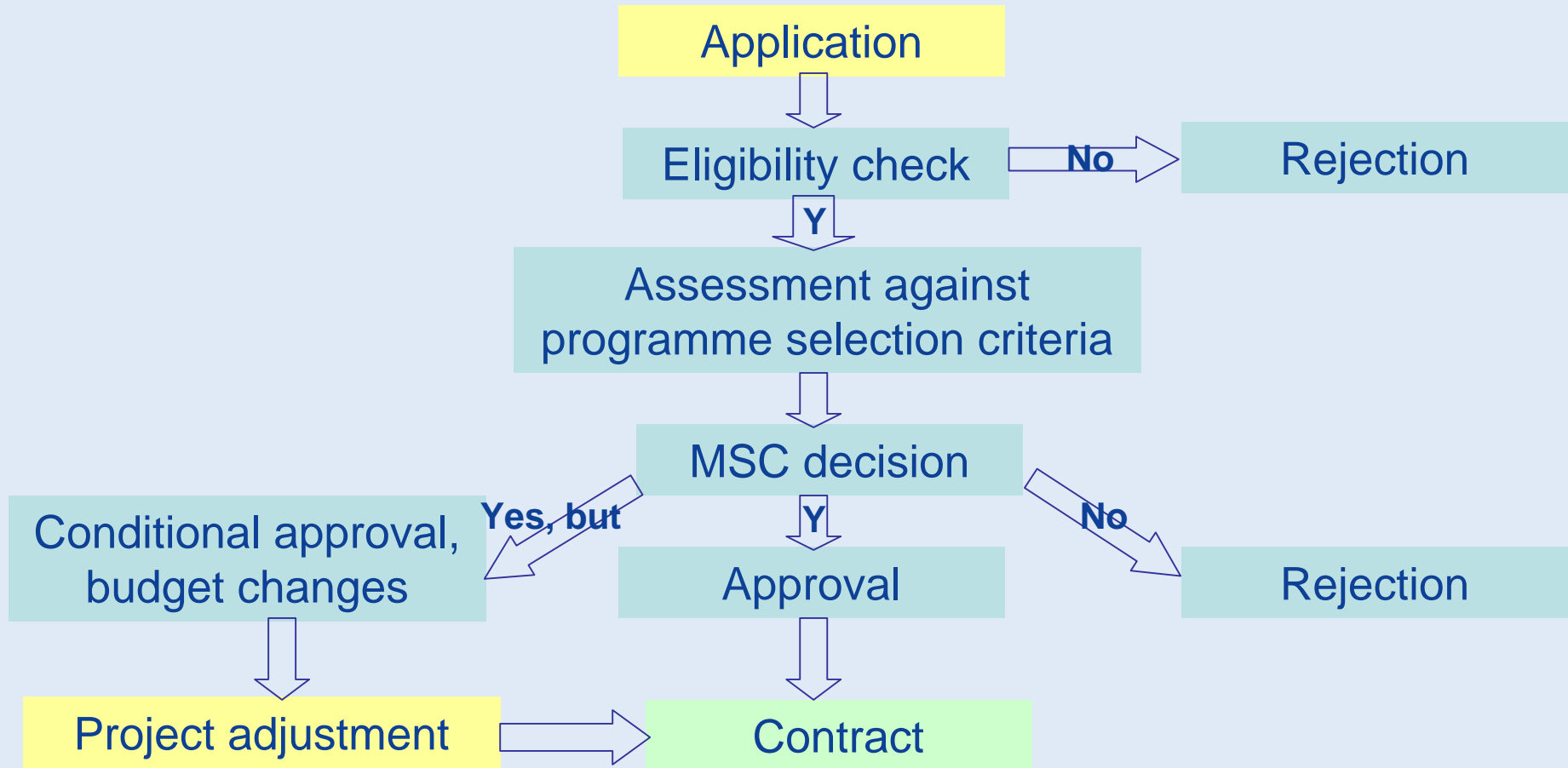
### Financial

- Partner search, planning meetings, (check for programme support!) Human skills and expertise for content, planning, management & administrative aspects
- despite insecure outcomes, early commitment is important

### Time

- research & development takes the most time, not filling in the application form
- easy to underestimate at least 6 months, sometimes up to 1-2 years

# General application process



## Reasons for rejection



- Project did not provide required documentation
- Project idea does not fit the programme
- No demonstrated need for cooperation
- Planned project results did not justify the budget requested
- Partnership and/or management structures are weak
- No clear description of activities
- No logical link between activities and intended results
- Project is a repeat of existing activities
- Project does not fit with local/regional/national policies

# Check list: What is a good application?



## Project / programme coherence

- ✓ Relevance to the programme
- ✓ Relevance to specific programme needs
- ✓ Contribution to programme objectives and priority indicators
- ✓ Synergies/fields for cooperation with other initiatives
- ✓ Identification and involvement of stakeholders throughout the project
- ✓ Wider impact on a regional/national level and links to other programmes, initiatives and funding mechanisms.

## Internal project coherence

- ✓ Clearly defined joint /common problem, need for cooperation
- ✓ Convincing unity of the project application
- ✓ Sound project objectives with a logical flow between aims, objectives, activities, outputs
- ✓ Well-defined indicator system with baseline/target for activity/output/result/ impact.
- ✓ Clear division of roles and responsibilities on the basis of specialisation and capabilities of partners
- ✓ Well-defined and realistic work packages and project phases with milestones.
- ✓ Supporting material for the work planned
- ✓ Transparent project budget
- ✓ Findings of any background research

## Where and how can the programme help?



- Content and technical advice for the application
- Pre-assessments
- Project development seminars
- Application guides and packs
- Seed money, micro-projects
- Preparation costs
- Don't forget the Contact Points