GRANTFINDERONEUROPEANFUNDING

ROUGH GUIDE TO EUROPE

Thinking of applying for European funds and don't know where to start? Rebecca Erskine explains how to navigate one of the world's most bureaucratic organisations

There are two main types of EU funds: structural funds and community action programmes serving areas such as the environment; employment, education and training; rural development; research; culture; and overseas development aid. Together they amount to more than 300 separate funding programmes.

The EU structural funds have been around in one form or another for the past 50 years. They account for one third of the EU's annual budget and are used to tackle regional disparities and support regional development, through actions including development of infrastructure and telecommunications, human resources, and research and development.

There are currently two structural funds operating in the UK: the European Social Fund (ESF), which was created in the 1950s to improve the knowledge and skills of the people of the founding member countries of the European Community; and the European Regional Development Fund (ERDF), which was introduced in 1975 at the request of the UK which, at that time, was undergoing major industrial restructuring.

For the current financial period 2007–2013, administration of the structural funds is being undertaken by organisations within the UK such as the regional development agencies and learning and skills councils.

Applications to community action programmes such as Youth in Action and Life+ (the fund dedicated to environmental projects), however, still need to be sent direct to Brussels. Dealing directly with the European Commission can be a steep learning curve for any organisation new to the process.

WHERE TO FIND THE MONEY
New programmes need to go through often lengthy enabling legislation before they are adopted. The process starts when the European Commission issues a proposal that then receives a first reading in the European Parliament.

If the proposal is adopted by the European Council without amendment, the process is complete. If, however, the council suggests amendments, these have to be discussed at a second reading by the European Parliament. A proposal is often revised but rarely rejected and can take months, sometimes years, to be adopted.

As the programme proposal enters these various stages, relevant documents tracking its progress are published on the PreLex website http://ec.europa.eu/prelex and in the Official Journal of the European Communities http://eur-lex.europa.eu/en/index.htm. Maintaining a watching brief on these pages can give a good indication – sometimes as much as three months in advance of the publication of application forms and guidelines – of the composition of the final programme.

Once programmes have been adopted, any opportunities to submit an application – entitled 'calls for proposals' – are published either in the Official Journal or on the Europa website, or both. The Europa website – http://europa.eu/index_en.htm – provides access to information published by

the European Union and its institutions, and may be navigated by DG or 'directorate general' – the departments that make up the Commission.

Each DG must publish a provisional timetable for 'calls' during the first quarter of the year as part of its annual work programme. These deadlines may, however, be subject to change. Timescales for European funds are often short – therefore early warning systems are vital.

WHO 'TRANSLATES' THE INFORMATION?
The European grants regime can be complex and guidance notes often unfathomable. Fortunately, there are a number of organisations on hand in the UK to present the information in layman's terms. Organisations like Grantfinder (www.grantfinder.co.uk) employ a research department to present European material in plain English. Other EU funding experts include:
◆ Local Learning and Skills Councils, http://www.lsc.gov.uk who administer ESF at a local level
◆ European liaison officers at local authorities
◆ European coordinators at local colleges
◆ Research and development departments of universities
◆ Government offices in the regions, www.gos.gov.uk/national
◆ Chambers of commerce or Enterprise Europe Network offices, www.enterprise-europe-network.ec.europa.eu/index_en.htm
◆ The National Council for Voluntary Organisations, www.ncvo-vol.org.uk and equivalents in Scotland, Wales and Northern Ireland.

CHOOSING THE RIGHT FUND
Groundwork Sheffield used previous experience of ERDF funding, which it received through Yorkshire Forward, to apply directly to the Commission for funding from the Life+ programme. It was able to secure €900,000 of funding under the programme for a project to raise the standard of green roof design and installation across the UK.

Jeff Sorrill, manager at the Green Roof Centre, a   ▶

research and demonstration hub set up by Sheffield University and Groundwork Sheffield to promote green roofs, explains that, even though the project needed a much smaller amount than projects previously supported by Life+, the grants programme was of interest to them because of the way it categorised its support; the priority 'climate change mitigation' was an exact description of what their project was hoping to achieve.

He advises that an application should be approached like a tender: there is a customer who has asked for something specific and you, the applicant, need to deliver what they're asking for. If you set off on your own agenda, or if the programme simply was not a good fit in the first place, your application will not succeed.

And you need to be prepared to wait for the money. Groundwork's application took some 14 months to write and the Commission requested no less than three separate revisions. Mr Sorrill describes how, along with changes to the wording, it requested that some actions be removed and others included. One addition was 'after-life' to explain what would happen to the provision after the project had come to an end and how the final output would be disseminated.

There was also a financial discrepancy of €32 that needed to be resolved. As a result of a fluctuating exchange rate a £75 fee was incurred because the revised application had to be couriered back to the Commission.

MATCH FUNDING

When organisations apply for funding from the community action programmes, rather than covering the entire costs, the EU will provide an intervention rate that varies under each programme. In these instances, match funding – in other words, the funds that will cover the remainder of costs – need to be identified at the outset. The main sources of match funding include: local authorities; any other public sector organisations; lottery programmes; charitable trusts; and sponsorship from local industry. Most will state in their guidelines whether or not they will match European monies.

Public sector organisations are usually allowed to use their own resources as match funding 'in kind'. In other words, resources such as staff time, hire of premises, use of PCs and volunteer hours can all be used to meet part of the project budget. The extent to which 'in kind' contributions count does, however, depend on the programme.

Where organisations are expected to secure match funding from other sources, the differing timetables of such funds can cause headaches with project implementation. How do they manage when different sources of funding for a project operate to different deadlines? Brian Meredith, general manager at the Cardiff office of Enterprise Europe Network Wales, has worked under a number of European funding regimes for well over a decade. He recommends that some bridging finance is identified: 'While some of the banks used to be prepared to consider it, all aspects have to be water tight, which is difficult given not just the current climate but the fact that the Commission will not make allowances.'

Along with finance from Groundwork itself, which agreed to take responsibility for securing match funding, contributions for the green roof project came from a number of sources: Sheffield University; the national not-for-profit organisation Livingroofs.org and EPG Marketing.

One might assume that the Commission is strict in its rules that match funding originates from the funders specified in the original application form. Groundwork's Jeff Sorrill, however, explains that the Commission's interest in knowing that the money is there, rather than where it is coming from, means that an applicant is able to draft in other funders as and when necessary. This has worked out particularly well for Groundwork. The fall in value of the pound since the time their application was approved has provided a welcome bonus as far as cashflow is concerned but has also meant that further match funding has to be found for the greater-than-anticipated grant. The willingness of the Homes and Communities Agency to contribute to the project has helped with the much-needed finance and, although not a partner cited in the original application, the Commission is happy for the agency's involvement to be evidenced at a later date.

FINDING A PARTNER

Almost all funding other than ESF grants require a transnational element; in other words, projects are expected to involve partners from other EU member states. And, while most calls for proposals are issued six weeks before the closing date for applications, most transnational

projects need at least three months of preparation.

The biggest hurdle is often securing from partners their written agreement to participate, but where do you look for such partners in the first place? It helps if there are existing relationships with organisations overseas, although a number of organisations can help with the search for new partners:

◆ The local authority through their twinning links or European officer

◆ Local colleges or universities that have already established links

◆ The Enterprise Europe Network, www.enterprise-europe-network.ec.europa.eu/index_en.htm

◆ Commercial links through local companies.

A more creative approach could be to identify any colleagues who may have been born abroad or who may have family members abroad.

CHOOSING A PARTNER

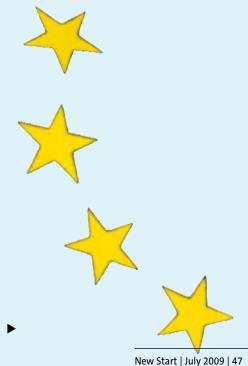There are a number of points to consider when selecting a partner:

◆ Does the grant you are applying for operate any restrictions in terms of where a partner should be located (for example south or eastern Europe)?

◆ Which countries have the most to contribute to the project? For example, organisations running a training project would only look to deal with those countries where the standards of education were equivalent to or indeed higher than the UK

◆ How will any language differences be resolved?

◆ Does the partner organisation have a sound track record in participating in transnational projects? And, if not, how can you ascertain their reliability in delivering on time and storing the relevant records?

◆ What is the political climate of the country? One that is volatile may jeopardise the completion of the project

◆ Do your partner's objectives tie in with that of your organisation?

Communication is vital once a partnership has been set up. Brian Meredith recommends allowing funding for travel and communication. There is little substitute for face-to-face meetings to keep a project moving and a project lead should also build in ample time for responses.

Similarly, Gill Eden, Europe and external funding manager at ▶

Bedfordshire Council, stresses the need to allow enough resources for administration as this part of the project can be onerous, particularly with multiple partners.

SUBMITTING AN APPLICATION – PRACTICALITIES

It is an obvious but often overlooked necessity – particularly with a looming deadline – that application forms and common provisions need to be read very carefully and advice sought from the DG where necessary.

It is important to remember that, once an offer letter has been signed and returned, the lead applicant is entering into a contract to deliver specified outputs at an agreed estimated cost. Many first-time applicants are too ambitious in what they believe their project will be able to deliver: better to be over-cautious and run the risk of not succeeding in a grant offer rather than have to pay money back because you have failed on your delivery targets.

Cashflow – EU grants are notorious in arriving later than expected and this can have a disastrous impact on cashflow if provision has not been made for the worst eventuality. For organisations that are unable to draft in resources to start a project when a grant has been delayed, it may be more cost-effective to apply for a low-interest loan from the outset rather than apply for a grant only to take out a loan out at short notice to cover the delay.

The right language – it is important too that you use the right terminology in your application and usually that which the Commission has used in its application guidance. 'Vocational training', for example, has a different meaning than simply 'education' and the Commission would look to support the 'beneficiary' rather than the 'student' or 'trainee'. As well as looking for the wording that fits in, you need to be prepared to say the same thing in as many different ways as possible.

Groundwork's Jeff Sorrill advises that you work with the UK agent (in the case of the Life+ programme, Beta Technology in Doncaster) to gain from their pool of information and knowledge; it is, after all, in their interests that UK applicants do well against their counterparts in mainland Europe.

MONITORING AND RECORD KEEPING

EU projects require monitoring to ensure that events are happening as planned and as the project has been described in the original application. There are three main assurances that the European Commission will look for

during the life of the project: is it being delivered on time?; is it costing more than anticipated?; and is it delivering on quality – in other words, are rules and regulations continually met?

Detailed records need to be retained at every stage of the project, from planning and development through to monitoring, evaluation and dissemination. They could include: evidence of matched funding; bank statements; audited accounts; beneficiary records such as attendance and assessment records and certificates; press cuttings about the project; copies of marketing material; and tender documents.

Records will need to show:
◆ that the project actually took place
◆ what the project has achieved
◆ that activities were undertaken according to what was promised in the original application
◆ that all beneficiaries were eligible
◆ evidence of exact expenditure
◆ that progress has been monitored
◆ that the project has been publicised according to EU rules (for example, the display of the ESF logo)

Records sometimes need to be retained for a further seven years after the project has ended. The practicalities of long-term storage therefore need to be considered: will the storage facilities be large enough, secure, accessible and – most importantly – dry?

If records are incomplete or do not show that project objectives have been fulfilled, lead applicants may be required to repay all or part of the contribution. This is why your initial choice of project partners needs to be a wise one, particularly if you are leading the project: if one of your partners has lost a receipt and cannot show proof of purchase for an item, your organisation will be duty bound to pay back the sum in question.

SURVIVING EVALUATION AND AUDITS
The final stage of the project is measuring the degree by which a project has achieved its objectives. Yet it is at the design stage of the project that the following methods of assessment need to be set:
◆ How the project objectives will be measured
◆ How the data will be collected and processed
◆ The length of time that this may take
◆ How much the evaluation will cost

Useful ways of collating key data include: questionnaires and surveys; discussions with beneficiaries and others involved in the project such as mentors, trainers and employers; and observation. While not enough on its own, subjective data – for example, the social and personal experiences of a beneficiary – can be a useful complement to hard data such as number of attendees on a course or gaining a particular qualification.

In order to measure such achievements it is crucial that a baseline is set at the start of a project to show the degree by which the project has succeeded in making improvements in your chosen area.

Brian Meredith suggests involving an experienced accountancy firm at an early stage to establish the audit trail and the method to collect financial data and time spent, in addition to a time schedule or critical path analysis.

Project partners will receive two to three weeks' notice of an audit. Once there, the auditors will expect all records to be laid out for viewing (including all original invoices), a room set aside for their use and staff on hand to answer any questions. Your organisation may be audited by any of the following organisations: your local authority; the relevant UK ministry; relevant Commission directorate-general or the European Court of Auditors. It is advisable to run through a mock audit before the day so that nothing is left to chance.

Organisations can fail audits for a number of different reasons, from retaining only scanned rather than original documents to spending the money incorrectly.

Failing an audit can have serious consequences. An EU audit carried out in 2008 identified that, while not fraudulent, £13m was spent wrongly in the Highlands and Islands in the 1990s. This money will now need to be returned.