

EXTRACT FROM ESF MANUAL 1

1.12. Innovation and Transnationality

Aim

1.12.1 The principal aim of the ITM strand is to develop innovative, regional projects that focus on producing thematic, policy related learning outcomes worthy of dissemination and mainstreaming at regional, national and EU levels. In accordance with the Operational Programme (paragraphs 380-382), not only will innovation be supported as a feature of co-financed activity, but 2% of the programme will be dedicated to supporting a small range of projects delivering innovative, transnational and mainstreaming activities. Section 1.2 applies to these dedicated projects which are delivered outside of Co-financing Organisation (CFO) arrangements.

1.12.2 Priorities 1 and 4 will include support for developing and delivering innovative ways of helping unemployed and inactive people make the transition from unemployment and inactivity to sustainable employment. Priorities 2 and 5 will include support for developing and delivering innovative activities to raise skills levels.

Innovation

1.12.3 Innovation can be defined as the successful exploitation of new ideas ('Innovation Nation', DIUS, 2008). In the context of ESF, innovation can include new approaches, tools, methods and service provision to extend employment and raise skills. It can also mean adapting and applying existing approaches, tools, methods and services to new regions, sectors or target groups.

1.12.4 Based on experience from Equal there are a number of key questions which can be used to identify innovation:

Why? What is the purpose of the innovation? What is the identified need that the innovation is intended to address? For example, the innovation might be a response to a long-term problem, to a new element of a long-term problem, or to a new problem.

What? This relates to how the identified problem can be resolved. What is the activity which forms the innovation? For example, an activity might be to exploit the potential of ICT and new technologies in response to the identified problem, or to develop new materials, tools or new content.

Who? Who should be involved in developing and delivering the innovation – including decision makers?

Where? Where the activity is delivered can form the actual innovation. For example, if an existing good practice is transferred to a new setting (e.g. from one Member State or region), this is in itself an innovation.

How? How the activity is delivered can also form an innovation. For example, an existing training course might be delivered through e-learning in order to reach out to new target groups.

When? When the innovation is delivered is particularly important. This question should be addressed in line with the first question regarding why the innovation is needed. When the innovation is delivered should be in line with the identified need.

1.12.5 The integration of innovative good practices can bring added value for the following reasons:

- It can lead to improvements in existing policy and practice.
- It can help to fill gaps in existing policy and delivery frameworks by supporting the development of new approaches.
- It helps to avoid expensive policy development and the need to 're-invent the wheel' by building on innovative and validated good practices.

Transnationality

1.12.6 Learning from other countries is an important dimension of innovation within the ESF programme. Transnational working provides opportunities to add value to domestic activities, deepening understanding of labour market issues and providing opportunities to influence policy development and delivery.

1.12.7 All dedicated innovation activities must have a transnational or interregional dimension. Transnational activity refers to co-operation between organisations in two or more EU Member States. Interregional activity refers to co-operation between regions in different EU Member State (i.e. not co-operation between regions within the same Member State). This may involve joint development of new approaches, as well as sharing or transferring good practice.

1.12.8 Projects must include at least one partner from another EU Member State. Applications must provide evidence of a previous collaborative relationship or transnational co-operation with the partner(s). The other EU Member States are Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

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1.12.9 Organisations in Gibraltar, Scotland, Wales and Northern Ireland can be partners in projects, but cannot be treated as transnational partners.

Mainstreaming

1.12.10 All dedicated innovation and transnational activities must include an element of mainstreaming and dissemination in order to support the transfer of new learning, products and good practice into future policy and provision.

1.12.11 Mainstreaming can be defined as: "the sharing and transferring of good practice, lessons learned and innovative areas of projects or programmes".

1.12.12 Mainstreaming, when carried out effectively, means that the results of a project live on after the (initial development) funding has ended. Without effective mechanisms to transfer good practice, the lessons and innovations arising from ESF projects can be lost. It can mean that the results and the learning from a project become integrated into policy and practice, thus ensuring that effective, innovative solutions are provided in line with identified need.

1.12.13 Mainstreaming goes further than dissemination, as it is more than just sharing results, it is about influencing others to take them up and use them. Dissemination should however form an important part of the mainstreaming process.

Themes

1.12.14 All innovative and transnational projects will be funded under one of the following themes:

- Active Inclusion
- Engaging with Employers
- ICT and the Digital Divide
- Meeting New Challenges – Demographic Change (Older Workers and Migration)
- Meeting New Challenges – Skills for Climate Change and Sustainable Development
- Social Enterprise.

1.12.15 Regional ESF committees have responsibility for selecting themes from this menu to focus resources. More detailed information, such as the theme templates and regional selection, is available at www.esf.gov.uk/innovation_transnationality

Eligible Applicants

1.12.16 Any public, private or third sector organisation may submit an application in response to a call for proposals. However, the programme will support only a small number of strategic, regional projects. Organisations or

partnerships that submit applications will need to demonstrate the appropriate experience, track record and capacity to manage and deliver larger scale projects.

1.12.17 There will be three projects per region (four in London) and a collaborative approach to project development is preferred. On this basis key stakeholders are encouraged to work together towards developing inclusive regional strategic projects.

1.12.18 In terms of the spatial coverage, proposals should cover an appropriate geographical area, relevant to need clearly defined in regional ESF frameworks. They should therefore be of sufficient size and scope to achieve the expected level of impact to justify the sums available to projects.

Funding and Expenditure

1.12.19 Innovative and transnational projects will be delivered outside of the usual ESF Co-financing arrangements. ESF will fund projects for up to three years and will contribute up to 50% of the costs of each project (75% in Cornwall and the Isles of Scilly).

1.12.20 Applicants will therefore need to provide at least 50% match funding (25% in Cornwall and the Isles of Scilly). Match funding is explained at section 3.13 of [ESF Manual 3](#). Match funding must come from the public sector. Detailed guidance on the eligibility of expenditure which applies to both ESF and match funding is available in [ESF Manual 1](#).

1.12.21 The budget for ITM projects should include between 5% and 15% for transnational activity. Eligible costs for transnational activities include:

- costs of participation by English and Gibraltar project partners (flights, other travel, accommodation and meals) in networking meetings, thematic events and information visits in other EU Member States;
- costs of communication and translation to facilitate exchange of information and experiences (including publicity, printing, and other dissemination and communication costs);
- costs of information visits and placements in other EU Member States by English and Gibraltar project participants (trainers, trainees, staff, key actors and others);
- joint partner activities and joint development of services and products (including study visits, joint research, piloting or testing new tools/methods/approaches, seminars, conferences, exhibitions etc.);
- the costs of organising meetings, events and information visits in England involving EU partners from other Member States, including meeting facilities, interpretation, receptions, and translation into the agreed working language(s);

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- the costs of consultants and facilitators, experts, evaluation or any services undertaken by third parties from other EU Member States other than translation;*
- other costs will be considered if appropriate.

* Expenditure for 'experts' outside of the agreed transnational partnership cannot exceed 15% of the total transnational budget. Any expenditure in excess of this figure will be deemed ineligible. Costs for experts are likely to be used in only exceptional circumstances and such costs should be duly justified to demonstrate a real added value to the transnational activity. Partners from other EU Member States and from Scotland, Wales and Northern Ireland should meet their own expenses (including travel and subsistence) for meetings, events and visits. Their expenses and fees may only be met by the project if they are providing their input as an 'expert', for example as a speaker at an event. Applicants should contact the ITM Unit regarding such costs before committing expenditure.

1.12.22 Ineligible transnational costs:

- Staff time is an ineligible transnational cost. All staffing costs, including those for the project's transnational managers or co-ordinators, should be funded under the core staff costs.
- Costs for 'experts' in excess of 15% of the total transnational budget as described above in 1.12.21 are ineligible.
- Costs of transnational partners for participation in transnational activities (including flights, accommodation and subsistence) are ineligible.

1.12.23 Hospitality for transnational partners is acceptable but costs must be reasonable. Partners should use their own organisational rules and guidelines to justify costs for hospitality items. If partners are in doubt regarding the costs and nature of proposed hospitality further guidance should be sought from the ITM Unit.

1.12.24 All EU and structural funding regulations regarding state aid, financial procedures, publicity, and document retention apply as set out in [Manual 3](#).

Partnerships

1.12.25 ITM projects will include partnership working at three levels:

- within regions;
- across English regions (within the national thematic networks which will be created for each of the six innovative themes),
- transnational or interregional (with other EU Member States).

1.12.26 Projects should consider the resources needed to participate in each level of partnership working when preparing the project costs. A letter of intent from at least one transnational partner will be a minimum requirement for an application to be acceptable.

1.12.27 Post approval, it will be advised that formal transnational agreements are put in place. Further details on these are provided below. There will be the flexibility to support additional actions or agree new partners during the project lifetime where this clearly adds value and contributes to the ITM aims and objectives of the project and thematic area. Each request will be considered by the Managing Authority and the ITM Unit based on its individual merit.

Transnational Agreements

1.12.28 Most transnational and interregional activity is carried out using a principle of reciprocity; with reciprocal visiting arrangements and cost-sharing agreements. This is encouraged where possible.

1.12.29 A formal transnational partnership must have a transnational agreement for each identified partner which includes:

- description of transnational partners (including joint objectives, results, activities and tasks);
- financial arrangements;
- organisational arrangements;
- partner signatures

An example and template for transnational agreements will be made available by the ITM Unit and placed at www.esf.gov.uk/innovation_transnationality

1.12.30 Additional transnational activities agreed with the Managing Authority and ITM Unit, such as one-off visits, meetings, or attendance at conferences and events etc will not require a transnational agreement. Thus a minimum of one transnational agreement is a requirement for all projects.

Complementarity

1.12.31 ITM projects must complement regional ESF frameworks and add value to regional ESF employment and skills priorities. Applicants should identify linkages to these in their applications. Complementarity is also encouraged between ESF and ERDF. Such linkages are encouraged where these offer potential for alignment across the two programmes and clear complementarity can be put into practice. Further complementarity with other relevant EU funded initiatives is welcomed but evidence of the added value should be presented. There must not be duplication or double funding in such complementary activities. In all cases ESF will only meet the costs of the ESF innovative and transnational project.

Monitoring

1.12.32 General ESF monitoring requirements for non-CFO beneficiaries apply, general obligations and regulations are set out in [Manual 3](#). Monitoring

visits, including Article 13 visits, will be carried out by the Managing Authority. In addition project support visits will be carried out by the ITM Unit.

Evaluation

1.12.33 Projects will need to identify provisions for developing an ongoing evaluation plan to capture success, learning and good practice that informs regional, national and EU policies.

1.12.34 The ITM Unit will facilitate evaluation at the thematic level. Programme level evaluation will be commissioned by the Managing Authority.

1.12.35 One-to-one advice and guidance on monitoring and evaluation requirements will be available from the ITM Unit, contact details are available at the end of this section.

Claiming

1.12.36 The claims procedure will be that for non-CFO beneficiaries as set out in section 3.16 of [Manual 3](#).

Calls for proposals

1.12.37 There will be a calls for proposals in October 2008. Under this call for proposals projects may last for up to three years. The start date should be no earlier than 1 April 2009 and no later than 1 June 2009. The end date must be no later than 31 May 2012. Expenditure (ESF and match) will be eligible between the start and end dates. There may be a further call for proposals for 2011-2013. Details will be published at www.esf.gov.uk/innovation_transnationality

1.12.38 For advice, guidance and further support on innovative and transnational projects contact:

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