

**ESF ENGLAND AND GIBRALTAR 2007-2013 CONVERGENCE,  
COMPETITIVENESS AND EMPLOYMENT OPERATIONAL PROGRAMME  
MONITORING COMMITTEE**

**SELECTION CRITERIA FOR INNOVATIVE & TRANSNATIONAL PROJECTS**

**Introduction**

1. This paper sets out for approval by the monitoring committee the criteria for selection of innovative and transnational projects.

**Background**

2. Following discussions with the innovation, transnationality and mainstreaming sub-committee and the Commission, it has been agreed to have a call for proposals outside of co-financing arrangements for dedicated innovative and transnational projects subject to the following considerations:-
  - all dedicated innovative projects will have a transnational or inter-regional dimension (ie at least one partner from another EU Member State);
  - up to 2% of regional Priority 1,2,4 and 5 allocations for 2007-2010 will be available for innovative and transnational activity; and
  - there will be up to three innovative and transnational projects per region (four in London) or Convergence/phasing-in area in 2007-2010.
3. Regions have been invited to select themes most appropriate to the regions from a “menu” of six themes that have been developed by the innovation, transnationality and mainstreaming sub-committee. In brief, these themes are:-
  - Active inclusion
  - Engaging with employers
  - ICT and the digital divide
  - Meeting new challenges – demographic changes
  - Meeting new challenges – skills for climate change and sustainable development
  - Social enterprise
4. The call for proposals will be issued at the end of October 2008.
5. The innovation, transnationality and mainstreaming sub-committee has commented on the selection criteria and is satisfied that they are transparent and appropriate. The criteria are similar to those use for the selection of non CFO operations as approved by the Monitoring Committee (see paper MC/16/07 Revised); the difference being that there are additional gateway questions relating to innovation, transnationality and mainstreaming.

## Appraisal of applications.

6. Applications will be appraised by staff from the ESF managing authority to judge to what extent the expected criteria are met. The intention is not to judge how well the form has been completed, but whether the proposed project and delivery arrangements will provide a best fit with the provision that is required and will be delivered in a way that meets regulations. In order to have a transparent system that differentiates between separate applications, a rating system as follows will be used for the items in the application.
  - **Excellent** – consistently strong in all aspects of the criterion
  - **Good** – consistently good in all aspects of the criterion. Minor weaknesses are capable of remedy and compensated for by strengths in other areas
  - **Acceptable** - weaknesses are capable of remedy but need to be addressed prior to contract or subject to specific conditions in offer letter
  - **Unacceptable** – the information provided is insufficient to allow for an effective assessment to be made or assessor satisfied that criterion cannot be met
7. Some questions are “gateway” questions as indicated in the appraisal framework below. If any gateway question is given a rating of “unacceptable”, it means that the whole application will be rejected.
8. The appraisers will appraise each question against the criteria in the table below and mark it as excellent, good, acceptable or unacceptable.
9. The appraisers will make an overall assessment of each application as excellent, good, acceptable or unacceptable, and give a justification for the assessment.
10. The appraisers will make a formal signed and dated record of the appraisal.

## Selection

11. The appraisers will make a recommendation as to which applications should be selected, within the limit of three projects per region (four in London) or Convergence or phasing-in area, and the priority funding limits. The appraisers will first consider any applications rated excellent. If necessary to achieve the selection, the appraisers will rank the excellent applications in order of merit, giving a justification for the ranking, and select the highest ranking applications. If there are no or insufficient applications rated excellent to select, the appraisers will consider applications rated good, and if necessary applications rated acceptable, ranking as necessary, to achieve the selection.
12. Project selection will be endorsed by the regional ESF committee.
13. The managing authority will hold a training workshop for appraisers in Sheffield on 8 January 2009. The training will ensure a consistent approach to applying the appraisal criteria and selection.

Application item	Criteria
Innovation theme	The theme entered at the top of the application form must be one of the regional themes set out in the call for proposals.
<b>Part 2: Project Description and contribution to the regional theme for innovation</b>	
<p>3.2. Project description</p> <p><b>Gateway question</b></p>	<p>The call for proposals will specify the regional themes for innovation and may include some regional context based on the regional ESF framework. The themes differ between regions, so the project <b>MUST</b> address one of the themes selected by the region in which the organisation intends to carry out the activity. The project must also address the Operational Programme priority within which that theme is located, and activities must be eligible for support within that priority.</p> <p>The proposal must set out in what respect the project will be innovative and must show how innovative activities will be established and specify the number and characteristics of the participants who will be supported by the innovative activities.</p> <p>The proposed activities should display a good understanding of existing programmes and policies that seek to support the selected target group(s) and show how the activities will seek to complement and enhance existing provision, including where appropriate City Strategy Pathfinders and the Working Neighbourhood Fund.</p> <p>There need to be measurable outcomes and milestones for the first year of the project that demonstrates how the outcomes and objectives will be achieved.</p> <p>If the project plans to provide direct support to business the application should show how it will meet the requirements of the Business Support Simplification Programme.</p>
<p>3.3. Transnational activity</p> <p><b>Gateway question</b></p>	<p>This section must give evidence of a previous collaborative relationship or transnational co-operation with the nominated transnational partner(s) and a clear explanation of how transnational activities will complement and add value to the proposed domestic activities. Transnational and domestic activities should not be carried out completely separately.</p>

Application item	Criteria
<p>3.4. Mainstreaming</p> <p><b>Gateway question</b></p>	<p>As one of the main objectives of the innovative projects is to try out new ways of delivering policy objectives, there must be a clear plan to engage with relevant policy makers from the outset to ensure that any products or outcomes do fit a policy requirement. If possible the application should show engagement already with policy decision makers at national, regional and/or local level; there should at least be a credible plan to engage with the right decision makers. If these are included in the partners listed at part 1, this should enhance the application. If the project concerns skills development in a particular sector, it must set out either existing links to, or credible plans to engage with, the relevant Sector Skills Council. Similarly projects working in City Strategy areas must have existing links to, or credible plans to engage with, the relevant City Strategy Pathfinders; the same applies to Working Neighbourhood Fund areas.</p>
<p>3.5. Evaluation</p>	<p>All innovative projects must be subject to objective evaluation in order to assist in mainstreaming outcomes. Lessons from Equal indicated that an analysis of costs and results was a prerequisite for successful mainstreaming of new products, processes etc. The approach to evaluation should recognise this.</p>
<p>3.6. Added value</p>	<p>ESF is intended to add value by funding additional activity that would not otherwise take place. It should be clear in what way it is intended that ESF will add value.</p>
<p><b>Part 4 Cross cutting themes</b></p>	
<p>4.1. Equal opportunities theme</p> <p><b>Gateway question</b></p>	<p>Proposals for implementation and mainstreaming the theme of equal opportunities and gender equality must be as required by EU regulations, and as set out in the Operational Programme and regional ESF frameworks, and be compliant with UK legislation on this theme. The proposal must describe how this theme will be embedded across the whole of the project, including any activities delivered by partners and/or sub-contractors.</p>
<p>4.2. Sustainable development theme</p>	<p>Proposals for implementation and mainstreaming the theme of sustainable development are as required by EU regulations, and as set out in the Operational</p>



Application item	Criteria
<b>Gateway question</b>	Programme and regional ESF frameworks, and compliant with UK legislation on these themes. The proposal must describe how this theme will be embedded across the whole of the project, including any activities delivered by partners and/or sub-contractors.
<b>Part 5 Capacity</b>	
5.1. Management arrangements	The application should describe the arrangements in place to ensure how the project will be managed effectively.  If the project will be run as a partnership, there must be clear arrangements as to how the applicant as lead partner will ensure that strong and accountable partnership arrangements are in place.
5.2. People	There needs to be enough people with the right skills, knowledge base and abilities to cover the range of functions required. There should be information about previous experience working on the delivery of ESF projects and on transnational co-operation.
5.3. Sub contracting	If sub-contracting will not be used, then no rating should be given.  If sub-contracting is to be used, it must be clear how sub-contractors will be selected in a transparent way; how their performance will be managed, and how value for money will be ensured.
5.4. Accounting systems	There must be confirmation that there is or will be a system in place that enables ESF and match funding expenditure to be separately identified and to meet audit trail requirements.

Application item	Criteria
5.5. Monitoring & audit	There must be assurance that all the costs claimed will be eligible and that all aspects of project activity will be monitored against planned financial, output and results targets and objectives.
5.6. Management information.	Systems must be in place to collect participant level data (from partners and/or sub-contractors if relevant), validate and collate and send it to the managing authority
5.7. Quality	As ESF funded provision will be subject to inspection by OFSTED, there must be systems in place to ensure quality standards and continuous improvement, and support to any partners and/or sub-contractors to enable them to meet the standards.
5.8. Publicity	The application must show how the regulations will be met so that, amongst other requirements, all participants are made aware that the provision is part funded by the European Union.
<b>Part 6 State aids</b>	
6.1. Will any activity funded through this project be a State Aid ?	The answer is likely to be “no”, and if so no rating should be given. The applicant should explain why activity will not be a State Aid.
6.2. State aids processes	If the answer to 6.1. is “yes”, there must be evidence that the applicant has the capacity to collect and collate the required information, and understands what the obligations on them are.
<b>Part 7 Financial viability</b>	
7.1. Legal status	<b>Gateway question when taken together</b>  Full information must be provided for all the questions, otherwise the risks of proceeding are likely to outweigh the benefits.
7.2. Audited accounts for last three years	
7.3. Auditor name and address	



Application item	Criteria
7.4. How long in existence	
<b>Part 8 Track record</b>	
Details of previous ESF and other government funded projects	Evidence should be presented in the form of, for example, accuracy and timeliness of claims; Article 4 visits; Article 10 visits; other GO contacts, to assess previous performance of the applicant
<b>Part 9 Project expenditure details and Part 10 Financial summary</b>	
Total project costs	Numbers here and in Part 10 should add up, allowing for rounding.  Do the projected costs give value for money when set against the projected activities, number and type of participants, outcomes, results and other objectives ?
<b>Part 11 Public match funding</b>	
Amount and source <b>Gateway question</b>	There must be evidence of the amount and source of clean cash match funding with supporting signed public match funding certificates.
<b>Part 12 Declaration</b>	
Declaration	Must be signed and dated.

**Action by monitoring committee members**

14. Committee members are invited to approve the selection criteria described in this paper.

**ESF Division**

**October 2008**

## DRAFT GUIDANCE FOR PROJECT APPRAISERS ON SELECTING PROJECTS

This annex sets out draft guidance for project appraisers in Managing Authority regional teams and the Intermediate Body team in the London Development Agency. The guidance will be discussed at a training workshop for project appraisers. It has been annexed to the selection criteria for information.

Within each region, up to three projects may be selected for funding (four in London). The financial limits for each priority must be respected. Therefore it is likely that one or two projects will be selected in Priorities 1/4 and one or two projects selected in Priorities 2/5 in each region. It is possible that three projects may be selected without using up all the financial allocations.

### Step 1

The appraisers should make an overall assessment of the application: excellent, good, acceptable or not acceptable.

- Applications which were appraised not acceptable under any of the gateway questions (3.2, 3.3, 3.4, 4.1, 4.2) should be given an overall assessment of **non acceptable** and should be eliminated from the selection process.
- Applications which were appraised as excellent for question 3.2 (project description) and either excellent or good for all other questions should be given an overall assessment of **excellent**.
- Applications which were appraised as excellent or good for questions 3.2, 3.3, 3.4, 3.5 and 3.6, and at least acceptable for all other questions should be given an overall assessment of **good**.
- All other applications should be given an overall assessment of **acceptable**.

### Step 2

The appraisers should then group applications that have not been eliminated under either Priority 1/4 or Priority 2/5.

Within each priority applications should be grouped into one of the following bands depending on their overall assessment: excellent, good, acceptable.

### Step 3

Within Priority 1/4 and Priority 2/5, the appraisers should look first at the excellent groups. If there are sufficient excellent applications to take up the available funding in each priority, and subject to the limit of three projects overall, these projects should

be selected.

If there are more excellent applications than funding in Priority 1/4 and/or Priority 2/5, the applications should be ranked in order of merit and the appraisers should give a justification for the ranking. The top applications should be selected to take up the available funding, subject to the limit of three projects overall.

If no or insufficient applications in Priority 1/4 and/or Priority 2/5 are rated excellent, the appraisers should move to the good groups, and follow the same process as for the excellent groups.

If no or insufficient applications in Priority 1/4 and/or Priority 2/5 are rated good, the appraisers should move to the acceptable groups, and follow the same process as for the excellent and good groups.

If within one priority, the two applications that would be selected address the same theme and would duplicate each other (i.e. are not addressing different activities within that theme), the appraisers may decide not to select the lower ranked application, and instead select the next most highly rated application (assuming it does not duplicate any of the applications already selected). The justification for doing this should be set out.

#### **Step 4**

The appraisers should prepare a recommendation for endorsement by the regional committee. This should include Priority 1/4 and/or Priority 2/5 lists of applications, grouped as excellent, good, acceptable or not acceptable, showing which have been selected. Where proposals have been ranked to achieve the selection, the justification should be set out.

The list should be supplemented by a summary of each application including: the theme; application organisation; EU partners; domestic partners; ESF and match funding; a brief description of the proposed activities and results and the extent to which these would add value to the ESF framework.

The Managing Authority will provide appraisers with a pro-forma for preparing the recommendation to the regional committee.