



Llywodraeth Cymru
Welsh Government

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Ireland Wales 2014-2020 Co-operation Programme

Applying for EU Funding – Part 2: The Business Planning Stage

Completing the Business Plan Template & the Selection Criteria

Version: 3

Date: May 2015

1. Purpose of Guidance

1.1 Following the formal acceptance of your Operation Logic Table you are now at the Business Planning Stage.

1.2 This document is the second of a two part suite of guidance for EU funding applicants.

1.3 This guidance document details the Business planning stage, which involves the development of the business plan and the formal assessment of the operation (project) using the selection criteria. The guidance also briefly covers the approval of the operation and the mobilisation phase.

1.4 The primary template for use during this stage will be the business plan template for the 2014 – 2020 Programmes. This guidance version (3 – May 2015) should be used in conjunction with version 3 (May 2015) of the business plan template.

The business plan template will be made available by WEFO once the proposed operation has been formally invited into the Business Planning stage.

2. Overview of the Selection Criteria

2.1 The Joint Secretariat (JS) is required through European regulations¹ to produce a set of criteria to be used during the 'selection of operations' (i.e. the project selection process). These criteria must be applied consistently to all potential operations assessed by the JS.

2.2 The nine selection criteria used for the selection of operations under the 2014 – 2020 Structural Fund programmes are as follows:

- **Strategic Fit including cross border co-operation**
- **Delivery**
- **Financial & Compliance**
- **Management of Operation**
- **Indicators & Outcomes**
- **Value for Money**
- **Long Term Sustainability**
- **Cross Cutting Themes**
- **Suitability of Investment**

2.3 These nine criteria are divided into three 'core' criteria and six further criteria. The three 'core' criteria of Strategic Fit, Delivery and Financial & Compliance are always assessed before the remaining six criteria.

2.4 The purpose of the three core criteria is to provide an initial challenge to the proposed operation. Between these three criteria, all aspects of the proposed operation are assessed to a certain level of detail, with the emphasis being placed on the strategic fit of the proposal with the relevant Operational Programme, initial financial and compliance checks and the initial delivery plans.

2.5 Once the three 'core' criteria have been successfully assessed, then the further six selection criteria are applied. The order that the further six criteria are assessed is flexible and decided by the JS on a case by case basis (as is whether they are assessed individually or in groups).

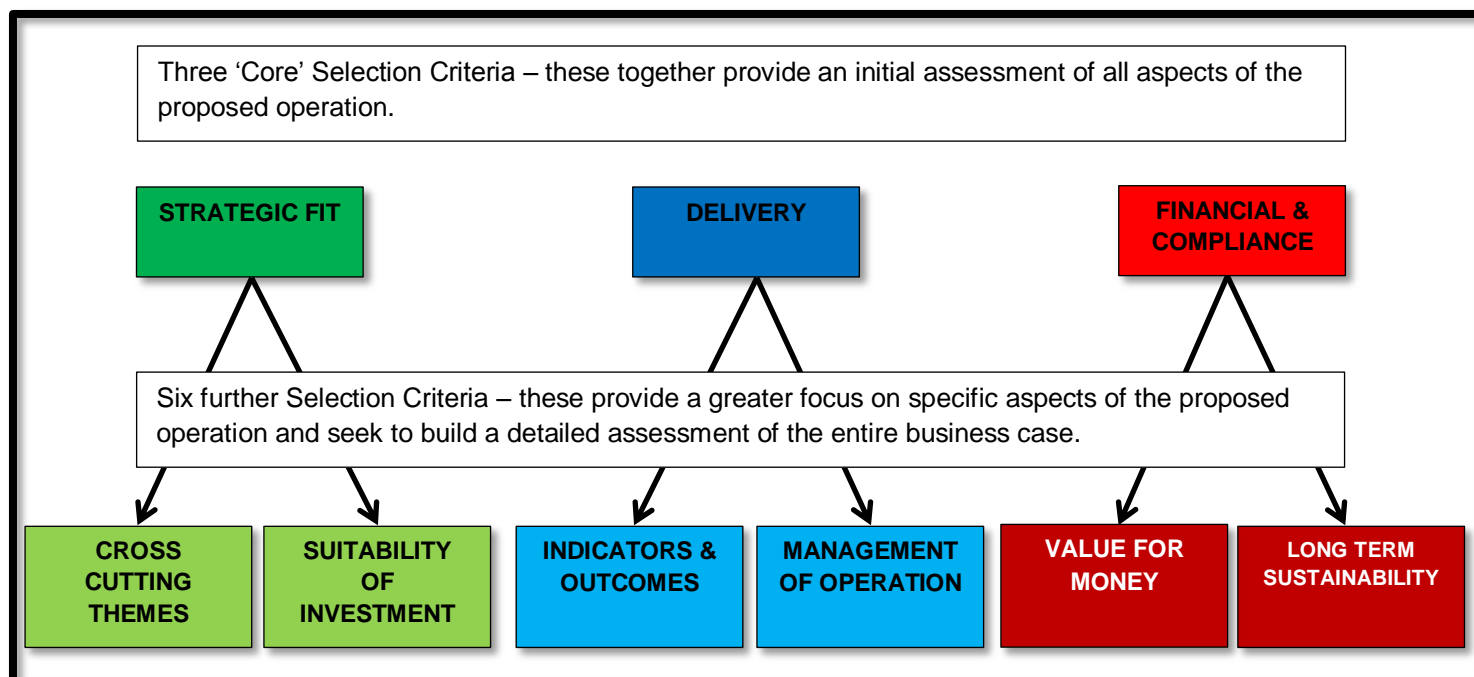
2.6 The order of assessment will be based on the information gained during the assessment of the 'core' criteria. For example, if during the assessment of the Delivery criteria a potentially significant issue arises concerning the management team, then the Management of Operation criteria will be assessed first out of the further six.

2.7 The overall aim will be to tackle as soon as possible the most significant issues that could prevent the proposed operation being approved.

2.8 The following diagram (overleaf) illustrates the relationship between the nine selection criteria.

¹ Article 125 3 (a) – (g) of the EU Regulation 1303/2013 Common & General Provisions

Diagram 1: The Nine Selection Criteria



3. The Assessment Methodology and the Completion of the Business Plan

3.1 The business plan template will be provided by the JS once the proposed operation has been formally invited into the Business Planning stage.

3.2 In a key change from the 2007 – 2013 programme period, the business plan template is, in most cases, will be assessed in stages in line with the completion of the selection criteria. Therefore, the 'core' criteria sections of Strategic Fit, Delivery and Financial & Compliance will be completed initially. If any potential significant issues have been identified during the Pre Planning stage under any of these core criteria, then you may be asked to just complete one or two of the core criteria initially for assessment.

3.3 The completion of the core criteria assessments provides an opportunity for the Programme Steering Committee (PSC) to review the proposal as a whole and take the decision to proceed to the six further selection criteria. Any issues subsequently identified will then be used to direct the order in which the remaining six criteria are assessed.

3.4 Diagrams 2 & 3 outline the methodology for the assessment of the three core selection and six further selection criteria respectively.

Diagram 2 – Flow diagram illustrating the methodology for the assessment of the three core selection criteria

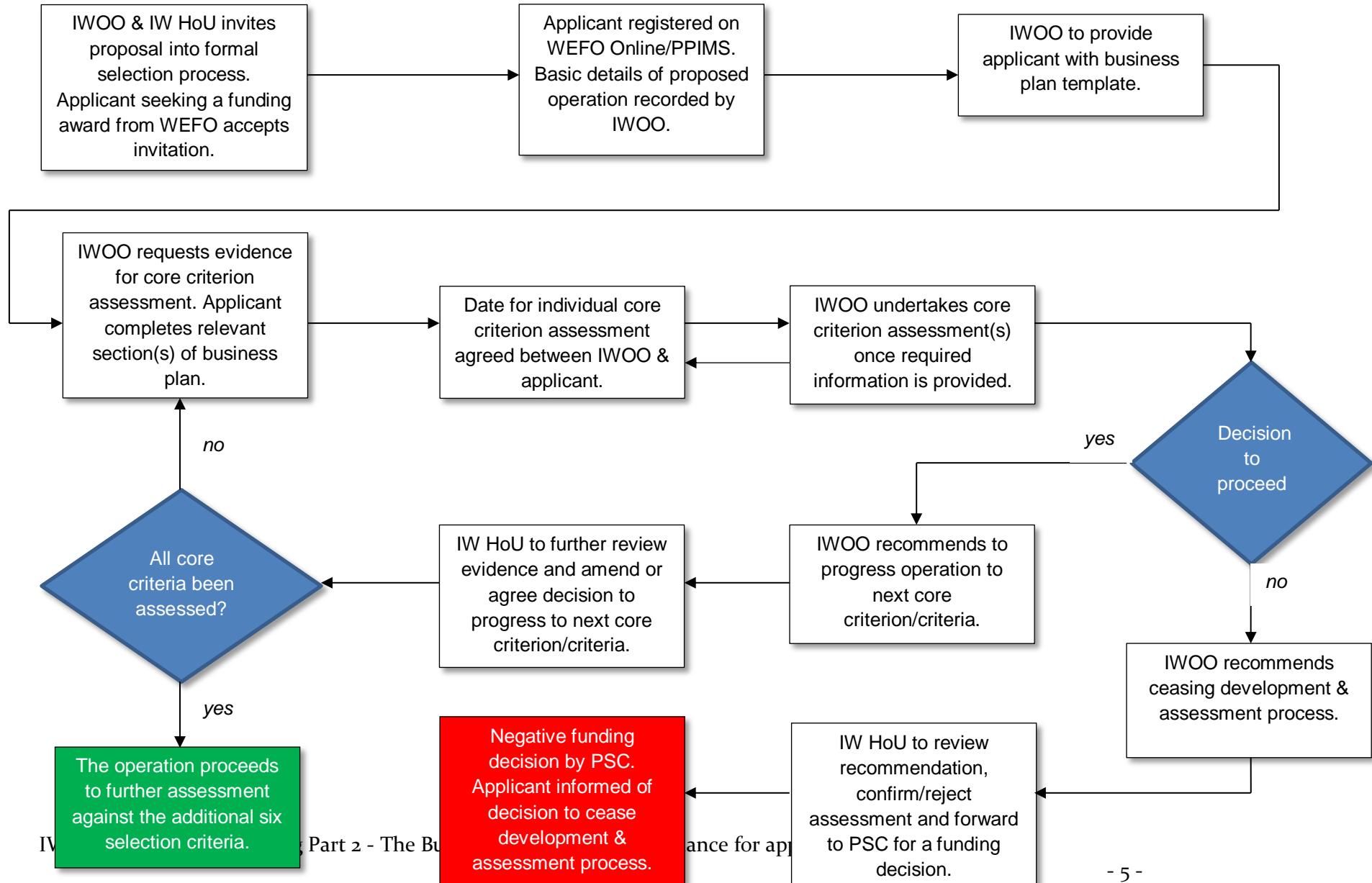
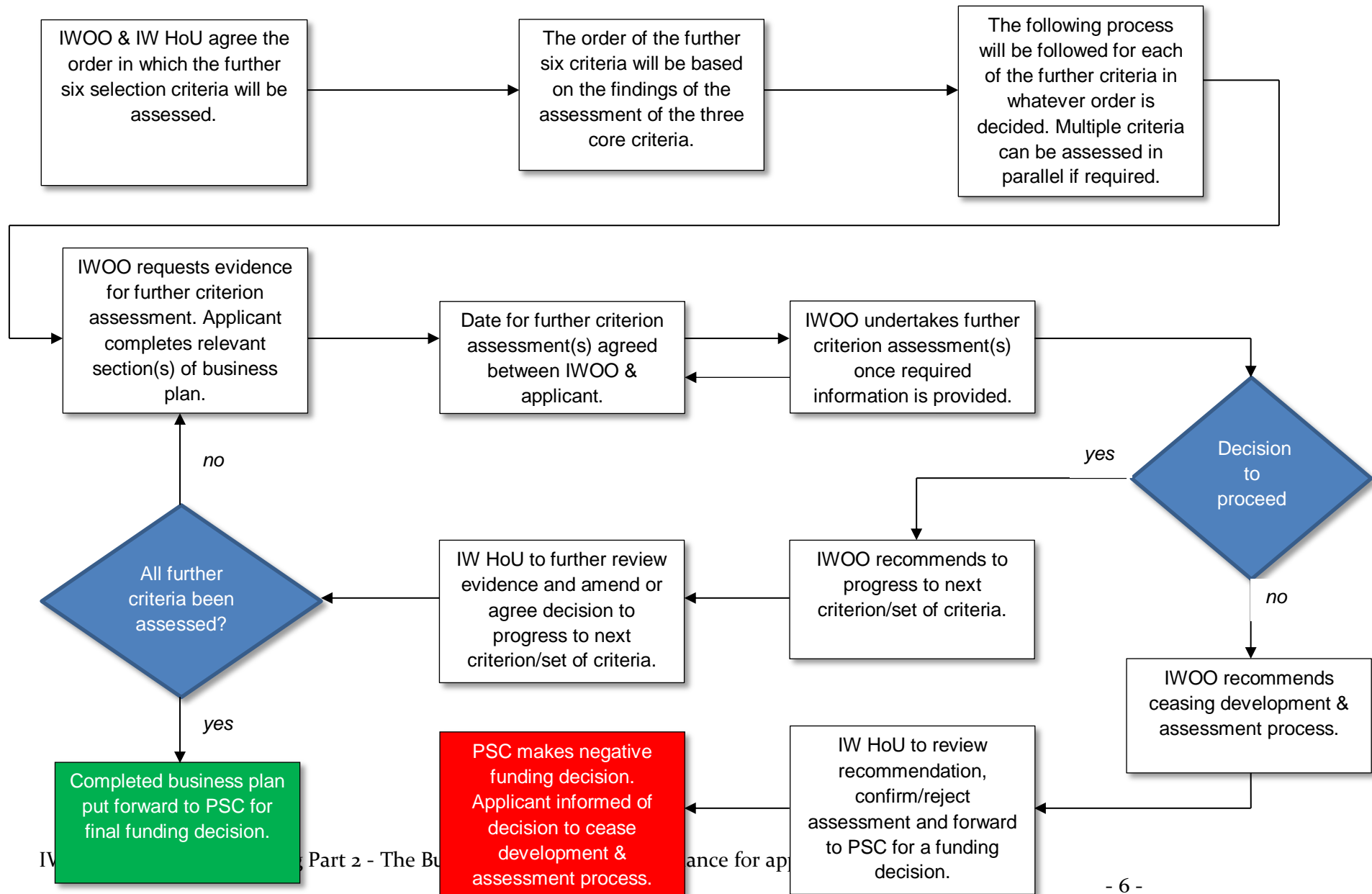


Diagram 3 – Flow diagram illustrating the methodology for the assessment of the six further selection criteria



3.5 Key Points on the Methodology

- 3.5.1 Once you have been assigned an IWOO and have received the business plan template, you will be directed to focus on completing those sections that correspond with the core criterion/criteria that will be initially assessed.
- 3.5.2 A date should then be agreed for the assessment of the first criterion/set of criteria. The timescale of this date should be based on a discussion with the IWOO around the estimated time needed to provide robust answers within the business plan to all of the evidence requirements under the relevant criterion. In the event that multiple criteria are being assessed in parallel, there may be the need to agree different dates for each criterion.
- 3.5.3 The IWOO will hold regular discussions to gauge your progress in meeting the required evidence. Agreed dates for the assessment of the criterion can be amended if there is sufficient justification.
- 3.5.4 If the IWOO is aware that the information received within the business plan section will not be sufficient for the proposed operation to successfully progress through assessment against the criterion (i.e. if the rating is likely to be 'Inadequate'), then the IWOO will alert you to this. If there is a realistic prospect of additional information being provided that will raise the potential criterion rating within an acceptable timescale then the date for criterion assessment can be extended accordingly.
- 3.5.5 Criterion assessment and the awarding of ratings are covered in more detail under section 4.

A Note on Delivery Models for Operations

Some changes to note.

- The term 'project' does not have quite the same meaning under the 2014-2020 programmes than it did previously. What we previously termed projects is now generally referred to as 'operations'. The European Commission now defines a 'project' in a precise way, which is: any activity that is delivered through a beneficiary (formerly termed as a sponsor) and funded through EU funds.

- The essential facts are:
 - The Managing Authority is required to collect and report financial and indicator data against all projects within an operation.

 - The Managing Authority is required to collect and report financial and indicator data against each Specific Objective within the Programme.

4. Criterion Assessment and the Rating Award

- 4.1 Each criterion section in the business plan template is structured around a number of questions, or evidence requirements.
- 4.2 The proposed operation will be assessed by the JS against the quality of the answers provided against those evidence requirements.
- 4.3 The IWOO will assess the evidence provided against the precise questions asked and recommend a criterion rating. This rating recommendation is then confirmed or amended by the IW HoU.
- 4.4 An operation will be deemed to have failed a criterion assessment if awarded a 'Inadequate' rating. In this event, the HoU will confirm this rating if appropriate and the IWOO will undertake a funding decision and submit to the Programme Steering Committee (PSC) which may result in the proposed operation leaving the business planning process.
- 4.5 In the event of a proposed operation being awarded a 'Low', 'Medium' or 'High' rating, then the IWOO in consultation with the IW HoU can progress the operation to the next selection criterion/criteria to be assessed. If the criterion assessed is the final criteria out of the nine, then the business plan is complete and can be passed to the PSC for a final funding decision.
- 4.6 Definition of Criterion Ratings and Specialist Advice
- 4.6.1 As stated, the rating awarded to a proposed operation for each criterion is dependent on the quality of the evidence provided against the specific evidence requirements under the relevant section of the business plan template.
- 4.6.2 Section 5 is intended as a guide as to what should constitute a 'Inadequate', 'Low', 'Medium' and 'High' rating for each selection criterion. Please note that the order of the criteria within the section does not dictate the order which they should be assessed. The principles governing the order of criteria assessment are explained under sections 2 & 3.
- 4.6.3 The definitions under section 5 are provided for applicants to promote transparency in decision making and greater consistency in the awarding of criteria assessment ratings.

Rating Definitions for each Selection Criteria

5.1 Core Criteria

STRATEGIC FIT

Brief Description

How well the proposed operation demonstrates cross border cooperation and fits with the required strategies and policies of the Ireland Wales Cooperation Programme, and the extent to which it aligns with and adds value to the wider investment context in Wales and Ireland.

Sources of assessment advice (to be sought by the IWO)

- WEFO Policy teams
- Relevant WG & Irish Government Policy department(s)
- Relevant regional stakeholder views in Ireland and Wales.

Evidence Requirements for Assessment

- Clearly demonstrate how the operation will deliver the Specific Objective listed in the Ireland Wales Cooperation Programme & Priority.
- Clearly demonstrate an alignment with the guiding principles listed under the Ireland Wales Cooperation Programme & Priority.
- Clearly demonstrate cross-border cooperation
- Clearly demonstrate an alignment with the relevant Irish & Welsh Government policies.
- Clearly demonstrate an alignment with the Atlantic Area Strategy – where relevant.
- Provide an outline of how the operation intends to contribute towards the Cross Cutting Themes (CCTs) of Equal Opportunities and Sustainable Development.
- Detail any planned or potential opportunities for integration with other European Structural & Investment (ESI) funding programmes, such as ERDF, ESF, EAFRD (Rural Development) or EMFF (Fisheries Fund).
- Detail any planned or potential integration with Financial Instruments or other EU funding streams such as the Interreg Cross Border, Transnational and Interregional programmes, or the Horizon 2020 or LIFE+ programmes.

- Provide detailed evidence of engagement with all potential joint beneficiaries and stakeholders, including how this has helped shape the proposal. A list of all individual stakeholders contacted should be provided, along with evidence of the level of support (for example, via written correspondence). WEFO will reserve the right to contact any listed stakeholder directly.
- Evidence should be provided that the proposal aligns with all relevant regional and thematic strategies. Such evidence will not provide any guarantee of a funding award or progression to the next criterion assessment stage.

The potential for any displacement of the private sector through the activities to be funded must be highlighted and described

Rating Definitions

INADEQUATE

The applicant has provided incomplete or insufficient responses against many of the listed evidence requirements thereby demonstrating an unacceptable level of risk.

LOW

The applicant has provided potentially incomplete or insufficient responses against one or more of the evidence requirements but demonstrates a potentially significant yet acceptable level of risk.

MEDIUM

The applicant has provided satisfactory and detailed responses against most of the evidence requirements and demonstrates a low level of risk.

HIGH

The applicant has provided robust and detailed responses against all of the evidence requirements and demonstrates minimal risk.

DELIVERY

Brief Description

How the proposed operation aims to transfer its stated objectives into delivery on the ground. The operation should have a clear plan that links the result, the outputs that deliver the result, what activities will take place to deliver the outputs, how and when will those activities take place, and who will be responsible for delivering them.

Sources of assessment advice (to be sought by the IWO)

- Regulations & Compliance team (on delivery models)
- Technical & Financial Appraisal Team (T-FAT) for legal advice & technical appraisal
- WEFO Research, Monitoring & Evaluation (RME) team

Evidence Requirements for Assessment

- A description of the preferred option for delivery, including:
 - The ultimate change(s) sought or final outcome(s) of the operation;
 - Evidence of a well defined scoping exercise of the activities necessary to deliver this/these changes – with identified ‘must have’, ‘prepared to consider’ and ‘might accept’ activities;
 - Evidence that a number of alternative options for delivery were originally considered, including the methodology framework used - for example, a Strengths, Weaknesses, Opportunities, Threats (SWOT) analysis. The analysis itself can be provided as an annex to the business plan;
 - Evidence of a further analysis of a short list of potential delivery options.
- Details of the delivery model to be utilised.
- Governance
 - The governance arrangements for delivery.
 - Corporate governance – ensuring appropriate level of sign off at senior level within organisations for funding application and delivery of activity
 - Due diligence – evidence for partner organisations
- The applicant should demonstrate:
 - Details of all public funding (including EU funding) received in the last 5 year period;
 - Their track record of delivering similar operations, including formal evaluations of any previously delivered EU and/or publicly financed operations – outlining evaluation recommendations and improvements implemented as a result;
 - Any other research evidence supporting the need and approach taken for this proposal;
 - That it has the required legal basis for delivering the stated activities.
- Provide an outline assessment of the primary risks and any dependencies that are critical to the successful delivery of the operation.

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FINANCIAL & COMPLIANCE

Brief Description

How the proposed operation intends to meet its financial and compliance based obligations. Operations will demonstrate that they have competent financial planning and will comply with all necessary legal and regulatory requirements.

Sources of assessment advice (to be sought by the IWO)

- T-FAT in terms of both initial Due Diligence, financial checks including state aid and potentially TMF if relevant

Evidence Requirements for Assessment

- Demonstrate:
 - How long the organisation/business has been in existence;
 - When it was constituted or registered as a business or charitable body.
- Declare the existence or absence of conflicts of interest e.g. direct or indirect economic interests, political or national affinities, family or emotional ties, or any other relevant connection or shared interest.
- Provide full details of any previous (or pending) County Court Judgements relating to any individual and/or organisation or business related to this bid. This must also include details of any criminal involvement or dissolved companies.
- Provide an initial outline breakdown of costs linked to the planned activities required for mobilisation (i.e. preparation for delivery) and delivery of the operation.
- The intention to implement any Simplified Cost options should be stated and explained. For example, if a flat rate option will be applied, details of the rate and the sector (e.g. higher education) it will be applied to should be provided, as well as identification of the precise elements of the operation that will operate the flat rate option. Simplified costs may also include options around unit costs.
- The applicant (as lead beneficiary) should provide details of its state aid status and that of all potential/planned joint beneficiaries.

- Where any component of the operation could potentially be classed as 'net revenue generating' under Art. 61 of the Common Provisions Regulation, initial details of income sources and forecasts should be provided.

The Funding Package

- Details of the proposed funding package should be provided. If the funding package is restricted by programme or EU Regulations, for example, state aid, this will need to be stated. Details should include:
 - The level of EU structural fund financial support required and how this amount is the minimum necessary for the operation to proceed;
 - Joint beneficiary arrangements in respect of co-financing;
 - Co-financing in-kind by source / type and its links to operation costs;
 - Any other potential sources of funding that have been considered and/or may be required;
 - An explanation of remaining gaps in the funding package and identified
 - Sources and timing for the introduction of co-financing/ co-financing in-kind, with an explanation of any conditions or restrictions in its availability.

Rating Definitions

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HIGH

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5.2 Further Selection Criteria

CROSS CUTTING THEMES

Brief Description

How the proposed operation will maximise its contribution towards the Cross Cutting Themes of Equal Opportunities and Sustainable Development.

Sources of assessment advice (to be sought by the IWO)

- Cross Cutting Theme (CCT) team

Evidence Requirements for Assessment

- Describe in detail how the operation will fulfil its statutory obligations under all legislation relating to the CCTs.
- Describe in detail how the operation will align with and support all relevant policies and strategies relating to the CCTs.
- Describe in detail how the operation will maximise its potential to contribute towards the CCTs objectives.
- Describe how the provision for inclusive growth will be maximised within the operation.
- Provide detailed and specific evidence of how any indicators that will contribute towards the CCT objectives will be delivered, when and by whom. A specific staff member will need to be identified as being responsible for the implementation and monitoring of the CCTs. This information should be cross-referenced with the general indicator information provided under the 'Indicators & Outcomes' criterion.

Rating Definitions

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HIGH

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SUITABILITY OF INVESTMENT

Brief Description

Outlining the need and demand for the proposed operation, and whether this demand is already being met through existing provision. Assessing whether the operation will be able to successfully deliver the proposed activity through an effective procurement process.

Sources of assessment advice (to be sought by the IWO)

- Wales and Ireland Policy
- State Aid Assessment (Ireland and Wales)
- RME

Evidence Requirements for Assessment

- The need for the operation, in terms of:
 - Define the target participants and/or sectors;
 - Define the barriers facing the identified participants and/or sectors;
 - Explain how the operation will overcome these barriers and ultimately benefit the identified participants and/or sectors;
 - Demonstrate that these activities are not already being undertaken by existing or planned public or third sector support.
- Please outline in detail the potential of the proposed operation to duplicate activity currently being undertaken by the private sector.
- Where the potential for duplication with private sector activity exists, please analyse in detail the potential of the proposed operation to displace the private sector. If displacement is deemed unlikely, please describe the reasons for this.

Rating Definitions

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HIGH

The applicant has provided robust and detailed responses against all of the evidence requirements and demonstrates minimal risk.

MANAGEMENT OF OPERATION

Brief Description

Assesses whether the proposed operation has the capacity and resources necessary to successfully deliver the planned results, output indicators and activities.

Sources of assessment advice (to be sought by the IWO)

- T-FAT for detailed due diligence

Evidence Requirements for Assessment

- A description of the governance & human resource requirements for the operation showing that you have a clear and detailed understanding of:
 - The governance arrangements necessary for delivery of the operation, including the identity and role of the Senior Responsible Officer (SRO);
 - The key management and staff functions considered necessary;
 - The skills and knowledge needed for each identified staff member and how these competence requirements will be met through recruitment and / or procurement within the required timeframe;
 - Confirmation that all resources required for effective delivery is or will be available;
 - How staff will be managed and performance indicators identified and monitored;
 - Confirmation that detailed continuity processes are in place to ensure that a strong link between the business plan and the delivery team is maintained and any loss of staff members will not lead to a 'drift' in the agreed delivery;
 - A draft exit strategy for staff.
- All time-critical governance and human resource activities described above must be incorporated into the delivery profile, with a specific focus on those activities that are essential for the preparation for delivery (which will constitute key milestones during the 'mobilisation' of the operation).
- Provide details of any necessary tender specifications for elements of the project that will be procured. Draft early tender notifications, Pre Qualification Questionnaires (PQQs) or Invitation to Tender (ITTs) and associated draft contracts should be included in an annex to your Business Plan wherever possible.
- Provide details on initial and ongoing risk identification, mitigation and management. Have regular reviews been timetabled? What thought has been given to contingency planning if identified as necessary, such as in the event of any changes in demand that may impact on the successful delivery of the proposal? Include the identification of any procurement risks, such as securing suitable plant and or sub contractors.

- Provide details on initial and ongoing risk identification, mitigation and management. Have regular reviews been timetabled? What thought has been given to contingency planning if identified, such as in the event of any changes in demand that may impact on the successful delivery of the proposal? Include the identification of any procurement risks, such as securing suitable sub contractors.
- Outline the Management and IT systems, processes, facilities (accommodation & equipment) that you intend to deploy. It is important also to be clear about location and communication requirements.
- Draft closure plans should be provided which include a realistic timescale (at least one year) to begin preparations for the closure of the operation.
- Provide information on how you will comply with any relevant legislation relating to your operation (e.g. equality and environmental, legislation, habitats directives, Natura sites, planning regulations etc.).

Promotional Activity

You will also need to evidence:

- How you will advertise and promote the opportunities / benefits that the operation is offering to target participants and/or sectors;
- How you will work with identified stakeholders to promote the operation;
- How you will publicise the results and impact of your operation;
- How you will disseminate best practice;
- How you will ensure that full acknowledgement of the funding from the European Union is clearly displayed including type of media utilised;
- How you propose to 'fly the EU flag' during the week that includes 9 May;
- How you propose to ensure that participants and/or enterprises are clearly aware of the funding received from the EU;
- Confirmation that you will ensure that you liaise with the JS on any proposed launches/press releases to be arranged/issued in relation to the operation.

Further information relating to publicity requirements can be obtained via your assigned JS contact and will shortly be available from the Ireland Wales website.

Rating Definitions

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The applicant has provided incomplete or insufficient responses against many of the listed evidence requirements thereby demonstrating an <u>unacceptable level of risk</u> .
LOW
The applicant has provided potentially incomplete or insufficient responses against one or more of the evidence requirements but demonstrates a <u>potentially significant yet acceptable level of risk</u> .
MEDIUM
The applicant has provided satisfactory and detailed responses against most of the evidence requirements and demonstrates a <u>low level of risk</u> .
HIGH
The applicant has provided robust and detailed responses against all of the evidence requirements and demonstrates <u>minimal risk</u> .

INDICATORS & OUTCOMES

Brief Description

How the proposed operation intends to deliver the result and output indicators identified and all associated targets.

Sources of assessment advice (to be sought by the IWO)

- RME team

Evidence Requirements for Assessment

- An analysis of the predicted longer term benefits associated with the operation.
- Details of the result & output indicators and their associated targets identified (both those listed in the Operational Programme and any additional indicators that the applicant consider relevant) that will be achieved in the short & medium term.
- Details of the precise activities that will be undertaken during the duration of the operation in order to achieve the result and output indicators.
- A clear logical flow should be demonstrated between the planned activities that will be undertaken, the short and medium term indicator achievement and the longer term benefits.
- Details should be provided of whom will be responsible for the delivery and monitoring of each identified indicator (i.e. an identified post either within the management team or the wider delivery model).

Delivery Profile

- You will also be required to provide a delivery profile (which should be provided as an annex to the business plan). This delivery profile must include the achievement of all key activities, indicators and outcomes identified above in a set of realistically timetabled milestones over the duration of the operation. It must include the achievement milestones needed for mobilisation and delivery, profiles of indicator target achievement, and all spend & audit milestones. The delivery profile will be constructed through the development of the business plan and is not a unique evidence requirement to this criterion.

Monitoring & Evaluation

- A monitoring and evaluation plan must be included which covers the following:
 - Evidence that the applicant is fully aware of their data reporting requirements in relation to the operation;
 - The applicant must demonstrate that an effective system is in place for the collection, recording and reporting of all required data (including participant and enterprise level data);
 - Details of the methodology to be used to monitor and evaluate the identified long term benefits;
 - Will the operation seek to collect baseline data? If so, when will this be undertaken?
 - Details and precise definitions of any other indicators to be included outside those required by the EU Programmes, including a justification of why they are necessary.

- An explanation of how your systems for collecting monitoring data will:
 - Ensure that data will be used to refine the operation and keep it on track;
 - Ensure high levels of data quality;
 - Ensure that data will be effectively reported to the Managing Authority at claim periods & reviews and at other intervals, and how data will be fed through into evaluation exercises;
 - Collect and store wider information to be used for the management of the operation and for its evaluation.

- An explanation and justification of the chosen evaluation methods, covering both “Formative” evaluation (during the life of the operation) and “Summative” evaluation (at the end of the operation), including why they are appropriate to the scale and scope of your operation.

- Details of all internal and external evaluations to be undertaken must be provided, including an associated timetable.

- A description of the dissemination plans for the evaluations, including which organisations you plan to share the results with.

Rating Definitions

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LOW

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MEDIUM

The applicant has provided satisfactory and detailed responses against most of the evidence requirements and demonstrates a low level of risk.

HIGH

The applicant has provided robust and detailed responses against all of the evidence requirements and demonstrates minimal risk.

VALUE FOR MONEY

Brief Description

Whether the proposed operation represents the best use of funds.

Sources of assessment advice (to be sought by the IWO)

- T-FAT for detailed financial assessment

Evidence Requirements for Assessment

- A detailed cost benefit analysis of the short listed options listed under the Delivery criterion. This analysis should clearly identify why the preferred option was chosen and have been based on a comparison of the following factors:
 - The overall quantifiable costs, benefits and risks.

Operation Costs

- A detailed breakdown of operation costs linked to all identified activities & indicators. These need to be fully cross-referenced with the delivery profile.
- A cash flow projection for the lifespan of the operation identifying the cash surplus or deficit. This should include the expenditure and income on a monthly basis for the first two years of the operation, quarterly or annually beyond this.
- Where the cash flow indicates an overdraft or access to working capital is needed, the proof that this exists should be evidenced.
- The assumptions used and their sources, including the methodology used to calculate (allocate and apportion) costs and income.
- Indirect Costs – where the simplified cost option is not being utilised you will need to provide a robust methodology for the calculation of these costs.
- Full details of any credit arrangements and facilities.

Rating Definitions

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HIGH

The applicant has provided robust and detailed responses against all of the evidence requirements and demonstrates minimal risk.

LONG TERM SUSTAINABILITY

Brief Description

Assesses the potential of the proposed operation to continue the proposed activity beyond the lifetime of the programme.

Sources of assessment advice (to be sought by the IWO)

- T-FAT

Evidence Requirements for Assessment

- A detailed assessment of the potential for sustainability upon cessation of the financial support (if applicable and the activity will still be required).
- An analysis as to whether the operation has the potential to alter the delivery model in the future to a more financially sustainable model.
- If further financial support will be required, details of any plans to secure further ongoing support.
- If the activity will no longer be required, details on how the closure of the operation will be managed effectively.

Rating Definitions

INADEQUATE

The applicant has provided incomplete or insufficient responses against many of the listed evidence requirements thereby demonstrating an unacceptable level of risk.

LOW

The applicant has provided potentially incomplete or insufficient responses against one or more of the evidence requirements but demonstrates a potentially significant yet acceptable level of risk.

MEDIUM

The applicant has provided satisfactory and detailed responses against most of the evidence requirements and demonstrates a low level of risk.

HIGH

The applicant has provided robust and detailed responses against all of the evidence requirements and demonstrates minimal risk.

5. The Approval Process and Mobilisation

Approval

6.1 Once the proposed operation has progressed through the nine selection criteria, all sections of the business plan should be complete. Applicants should review their complete business plans with a view to strengthening earlier sections if possible. Likewise, IWOOs/IW HoU will ensure that all the evidence now available has been retrospectively applied to all selection criteria and to amend previous criteria assessment ratings if appropriate.

Mobilisation

6.2 As explained in the glossary, the mobilisation phase allows time for operations to prepare to deliver against their indicator and spend profiles. Therefore, the list of milestones that the operation will need to achieve during the mobilisation period should be fully understood and profiled at approval. Not all operations will necessarily need a mobilisation phase, but it is anticipated that the majority will need at least some time to undertake preparation activities before commencing delivery. The length of the mobilisation phase will be defined at approval and regular review meetings must be held (again, to be profiled at approval). The mobilisation phase will not usually exceed six months.

6.3 Typical mobilisation milestone activities may include staff recruitment or procurement exercises. Any activity identified as necessary to deliver the operation (providing it is eligible) can be identified as a milestone.

6.4 The offer of grant still constitutes full approval and the presence of the mobilisation phase does not bring in any conditional approval status. It is however a period during which the JS will provide close support and monitoring to ensure that milestones are being achieved in a timely fashion. The JS will need to offer support for any issues encountered during mobilisation. Issues will be mitigated wherever possible, and agreed timescales for the achievement of milestones mobilisation as a whole can be extended if appropriate. However, any continued drift will be discouraged and ultimately a failure to mobilise effectively may lead to the withdrawal of the offer of grant.

6.5 Once all the milestones associated with the mobilisation phase are successfully achieved, then a final mobilisation review will be undertaken and the mobilisation phase closed. Operations will then enter the delivery stage, with ongoing regular review meetings.

6.6 Joint beneficiary agreements must be in place at the end of the mobilisation phase.

6.7 It is suggested that this final mobilisation review meeting would be a good opportunity to revisit the delivery profile, as many of the factors that could cause delivery profile issues should then be complete (such as procurement).

6. Glossary of Terms

Lead Beneficiary

The organisation that receives a funding award from the Managing Authority, in order to manage, or manage and implement, an operation. Formerly referred to as 'project sponsor/ sponsor' under 2007-2013 programmes.

Joint Beneficiary

A partner organisation responsible for initiating and/or managing and/or implementing part of an operation. Assessed and approved by the managing authority to incur eligible expenditure and be reimbursed on the same basis as the (lead) beneficiary.

Joint Beneficiary Agreement

The Joint Beneficiary (partnership) agreement is a contract between the Lead Beneficiary and all the other beneficiaries and will govern their relations and ensure that the partnership works effectively.

Co-financing

Eligible expenditure on an operation to be funded by national public or private sources (i.e. not the EU). Formerly referred to as 'match funding' in the 2007-2013 programme period.

Common Provisions Regulation

EU Regulation No 1303/2013 that sets down the common regulatory provisions for the European Structural and Investment Funds i.e. ERDF, ESF, Cohesion fund, EAFRD and EMFF programmes for the 2014-2020 period.

IW HoU

Ireland Wales Head of Unit

IWOO

Ireland Wales Operations Officer.

Mobilisation phase

The mobilisation phase is a formal acknowledgement that most operations require a period of time immediately post-approval to prepare to deliver the agreed indicators and activities. Mobilisation milestones will be agreed between the JS and the applicant during the business planning stage. These milestones will consist of activities that are necessary for the operation to commence delivery. The JS will offer support and monitor the achievement of these milestones. Once the JS agree that all milestones are successfully completed the operation will have successfully completed the mobilisation phase. An operation may also identify set milestones post mobilisation to record the achievement of certain key elements of the operation.

Net Revenue

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Cash in-flows directly paid by users for the goods or services provided by the operation, such as charges borne directly by users for the use of infrastructure, sale or rent of land or buildings, or payments for services less any operating costs and replacement costs of short life equipment incurred during the corresponding period. Operating cost savings generated by the operation shall be treated as net revenue unless they are offset by an equal reduction in operating subsidies.

Operation

The term 'project' does not have quite the same meaning under the 2014-2020 programmes than it did previously. What we previously termed projects are now generally referred to as 'operations'. The European Commission now defines a 'project' in a precise way, which is: any activity that is delivered through a beneficiary (formerly termed as a sponsor) and funded through EU funds. Therefore, every beneficiary within an operation will run a distinct project, which needs to be reported on in terms of finances and indicator outputs.

Operation Logic Table

A template that is used to describe the logic underpinning a proposed operation during the initial stages of applying for EU funding (the Pre Planning stage). During the business planning stage and beyond the Operation Logic Table becomes a quick reference document to describe the purpose of the operation.

Programme Monitoring Committee

The Programme Monitoring Committee is responsible for reviewing the implementation of the Programme and progress towards achieving its objectives

Programme Steering Committee

The Steering Committee is responsible for the selection of operations.

Project

The precise definition of a project will be provided with the publication of the 'Delivery Models' guidance later this year.

Simplified Costs

A payment model where eligible costs are calculated using pre-agreed flat-rate percentages, unit costs or single lump sum payments.