

DP 58/99-03



Rhodri Morgan AM MP

**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

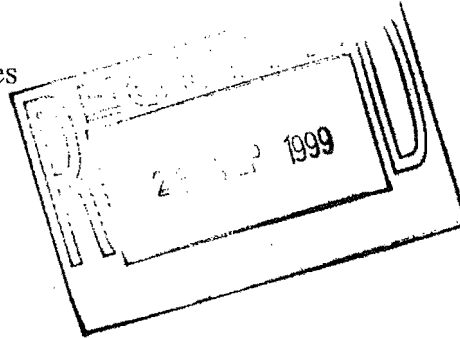
Our ref: RM 00387/99

Ysgrifennydd y Cynulliad · Assembly Secretary

Parc Cathays
Caerdydd CF10 3NQ
01222 825111 GTN: 1208

Cathays Park
Cardiff CF10 3NQ
01222 825111 GTN: 1208

Mick Bates AM
The National Assembly for Wales
Cardiff Bay
CARDIFF
CF99 1NA



20 October 1999

Dear Mick

Thank you for your letter of 4 October in which you express concerns about continuity of European Structural Fund grant assistance during the gap between current and future programmes.

I have provided a written response to this question (OAQ1531VB, tabled for answer on 20 October) in accordance with paragraphs 9.1 and 9.2 of the Guidance on Oral and Written Assembly Questions. A copy of this will be placed in the library.

If after reading the content of my written answer, you have more detailed examples of the problem that is causing concern to you, then please do not hesitate to send me a follow-up letter.

Yours

Rhodri

clear

cc

Coed Cymru

(after 9?)

**NATIONAL ASSEMBLY FOR WALES
WRITTEN ASSEMBLY QUESTION**

FOR ANSWER ON 20 October 1999

DRAFTED BY Mike Pollard ext 3995

DRAFT ANSWER APPROVED BY FOLLOWING:

NAME	GRADE	STATISTICS
.HF Rawlings.....	G5	PREPARED BY
.....	G3	CHECKED BY
.....	G2	APPROVED BY
.....	Assembly Secretary/ Assembly First Secretary	CHIEF STATISTICIAN/SEA

CLEARED WITH FOLLOWING DEPARTMENTS (IF APPLICABLE)

OAQ1531VB tabled for answer by the Finance Secretary subsequently transferred for written answer by the Economic Development Secretary.

SUBJECT: EUROPEAN STRUCTURAL FUNDS

DRAFT ANSWER

Mick Bates, Montgomeryshire

To ask the Assembly Secretary for Economic Development,

What action is being taken to ensure that existing projects which depend on European funding will survive until the new European funding comes on stream.

DRAFT ANSWER

While there will be a gap between the end of the existing programmes and the start of the new ones, potential does exist for projects to benefit from continuity of funding. Under the current programmes, even though legally binding

commitments to undertake projects have to be made by 31 December 1999, projects can continue post-1999. However, it does not necessarily follow that projects which have received grant under existing programmes will be successful under the arrangements for 2000-2006. Projects seeking future funding will have to comply with the specific criteria which have yet to be set for the new programmes.

Under existing programmes, all project sponsors are aware that they must have the necessary financial packages in place to deliver and sustain their projects over the period of time set by their grant approvals.

BULL POINTS:

Background Note:

- All sponsors seeking grant from the Structural Funds have to ensure that their projects comply with the aims and objectives of the programme under which they are applying. Although there could well be many cases of existing grant-aided projects attracting further grant to continue and enhance existing activity, there is no guarantee that such projects will necessarily meet the specific criteria attached to the new programmes or that they will be of sufficient quality to attract funding in the future.
- There is a general underlying principle attached to the operation of the Structural Funds, in that sponsors are expected to demonstrate that projects benefiting from grant intervention will be self-standing and sustainable once the period of funding has elapsed.
- Although current programmes close on 31 December 1999, EC Regulations allow for project physical and financial completion to be extended up to 31 December 2001. In practice, in most programmes, projects supported under

the European Regional Development Fund are given until this date to complete. In the case of training projects supported under the European Social Fund, where cases have been made, Programme Monitoring Committees have agreed completion dates of June 2000 or December 2000. There is therefore flexibility for sponsors to run projects and retain staff to operate them well into the years 2000 and 2001.

- At the time of applying for grant, all project sponsors are aware of the parameters set by the programme under which they are bidding. They can only attract funding if they have the necessary financial package in place to match fund the project and to sustain it over the period of its delivery.

What lies behind the question?

The AM is concerned about the continuity of funding for many projects because of the gap between the end of current programmes and the start of new ones, in particular that organisations applying in the new funding round may not have sufficient funding to retain staff.

Member's interest

There are examples of organisations within the AM's constituency.

Q [3]
 OAQ [1531VB]

**NATIONAL ASSEMBLY FOR WALES
 WRITTEN ASSEMBLY QUESTION**

FOR ANSWER ON 20 October 1999

DRAFTED BY Mike Pollard ext 3995

DRAFT ANSWER APPROVED BY FOLLOWING:

NAME	GRADE	STATISTICS
HF Rawlings.....	G5	PREPARED BY
.....	G3	CHECKED BY
.....	G2	APPROVED BY
.....	Assembly Secretary/ Assembly First Secretary	CHIEF STATISTICIAN/SEA

CLEARED WITH FOLLOWING DEPARTMENTS (IF APPLICABLE)

OAQ1531VB tabled for answer by the Finance Secretary subsequently transferred for written answer by the Economic Development Secretary.

SUBJECT: EUROPEAN STRUCTURAL FUNDS

DRAFT ANSWER

Mick Bates, Montgomeryshire

To ask the Assembly Secretary for Economic Development,

What action is being taken to ensure that existing projects which depend on European funding will survive until the new European funding comes on stream.

DRAFT ANSWER

While there will be a gap between the end of the existing programmes and the start of the new ones, potential does exist for projects to benefit from continuity of funding. Under the current programmes, even though legally binding

commitments to undertake projects have to be made by 31 December 1999, projects can continue post-1999. However, it does not necessarily follow that projects which have received grant under existing programmes will be successful under the arrangements for 2000-2006. Projects seeking future funding will have to comply with the specific criteria which have yet to be set for the new programmes.

Under existing programmes, all project sponsors are aware that they must have the necessary financial packages in place to deliver and sustain their projects over the period of time set by their grant approvals.

BULL POINTS:

Background Note:

- All sponsors seeking grant from the Structural Funds have to ensure that their projects comply with the aims and objectives of the programme under which they are applying. Although there could well be many cases of existing grant-aided projects attracting further grant to continue and enhance existing activity, there is no guarantee that such projects will necessarily meet the specific criteria attached to the new programmes or that they will be of sufficient quality to attract funding in the future.
- There is a general underlying principle attached to the operation of the Structural Funds, in that sponsors are expected to demonstrate that projects benefiting from grant intervention will be self-standing and sustainable once the period of funding has elapsed.
- Although current programmes close on 31 December 1999, EC Regulations allow for project physical and financial completion to be extended up to 31 December 2001. In practice, in most programmes, projects supported under

the European Regional Development Fund are given until this date to complete. In the case of training projects supported under the European Social Fund, where cases have been made, Programme Monitoring Committees have agreed completion dates of June 2000 or December 2000. There is therefore flexibility for sponsors to run projects and retain staff to operate them well into the years 2000 and 2001.

- At the time of applying for grant, all project sponsors are aware of the parameters set by the programme under which they are bidding. They can only attract funding if they have the necessary financial package in place to match fund the project and to sustain it over the period of its delivery.

What lies behind the question?

The AM is concerned about the continuity of funding for many projects because of the gap between the end of current programmes and the start of new ones, in particular that organisations applying in the new funding round may not have sufficient funding to retain staff.

Member's interest

There are examples of organisations within the AM's constituency.

Cynulliad Cenedlaethol Cymru
Parc Cathays
CAERDYDD
CF1 3NQ
Ffôn: 01222 826658



The National Assembly of Wales
Cathays Park
CARDIFF
CF1 3NQ
Tel: 01222 826658

FFACS • FAX

Rhif Cyflunydd / Fax Number

01222 823257

Ar gyfer / Attention of: Gareth Owen

Ffôn / Telephone: _____ Ffacs / Fax: _____

Dyddiad / Date: 26th November 1999

Hwn a / This plus 3 Tudalen arall / pages

Oddi wrth / From: Kelly Griffith

Ffôn / Telephone: _____

Ffacs / Fax: _____

Neges / Message:

Gareth,

I refer to our telephone conversation this morning. I've ^{also} sent a hard copy in the post.

Kelly