

WALES PROGRAMME MONITORING COMMITTEE

EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020

Date: 1 December 2017**Time:** 9.30am**Venue:** Welsh Government Offices, Merthyr Tydfil**AGENDA**

1.	Welcome and apologies	09:30 - 09:35	
2.	Minutes of September meeting, actions and other matters arising	09:35 – 09:45	WPMC(17)M15
3.	Update on ESI Funds Progress, including portfolio development	09:45 – 10:00	WPMC(17)113
	<u>To include:</u> (a) ERDF Programmes (b) ESF Programmes (c) Welsh Government Rural Development Programmes (d) Structural Funds: Approved Operations List (e) WGRC-RDP 2014 – 2020: Socio-economic Approved Project List (f) Performance Framework	10:00 – 10:15 10:15 – 10:30 10:30 – 10:45 10:45 – 11:00	WPMC(17)114 WPMC(17)115 WPMC(17)116 WPMC(17)117 WPMC(17)118 WPMC(17)119
4.	ERDF Programme Modifications ESF Programme Modifications	11:00 – 11:40	WPMC(17)120 WPMC(17)121
5.	Proposals to the 2 nd Modification Amendments to the Welsh Government Rural Communities – Rural Development Programme 2014-2020	11:40 – 12:00	WPMC(17)122
	Break 12:00 – 12:15		
6.	Cross Cutting Themes: Tackling Poverty	12:15 – 12:35	WPMC(17)123
7.	Amendments to the Monitoring & Evaluation Strategy	12:35 – 12:55	WPMC(17)124
8.	Presentation: Development Bank of Wales	12:55 – 13:25	
9.	Future of Regional Policy Update	13:25 – 13:45	
10.	AOB	13:45 – 14:00	

	<i>**Lunch 13:40 – 14:00**</i>		
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**EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020 WALES
PROGRAMME MONITORING COMMITTEE**

**Friday 15 September 2017
Welsh Government, Merthyr Tydfil**

Meeting Notes

ITEM 1: Welcome, introductions and apologies

1. The Chair welcomed members to the meeting of the Wales Programme Monitoring Committee (PMC). A special welcome was extended to Mr Alexander Bartovič, the new Head of Unit at DG Agri. Attendees and apologies are listed at **Annex A**. The Chair reminded members that the June PMC meeting was Damien O'Brien's last meeting as Chief Executive of WEFO and welcomed Sioned Evans to her first PMC meeting as Chief Executive of WEFO.

ITEM 2: Minutes of June meeting, actions and other matters arising

2. Members were advised that amendments received from DG Agri had been included in the minutes circulated to members. No further comments were received, therefore, taking those amendments into account; the minutes were agreed as a true and accurate record of the meeting.

ITEM 3: Update on ESI Funds Progress, including portfolio development

Overview

3. Sioned Evans provided an overview of programme progress since the 16 June 2017 meeting:
 - Overall 66% (61 % ERDF, 74% ESF) of Structural Funds (£1.4 billion) resources have been committed this is an increase from 65% reported at the last meeting and represents total investment of £2.6 billion. All of the EC's expenditure (N+3) targets for 2017 have been met for Structural Funds
 - The Rural Development Programme is currently fully committed at 102%, following approval of the modification in June. Since the last PMC meeting an additional £20m has been spent.
 - Comparison with a recent EC paper, benchmarking delivery across the 28 EU member states, reflects that Wales would rank second in terms of commitment and seventh in terms of declared expenditure.
 - A competition has been launched to celebrate 60 years of the European Social Fund. Members were encouraged to provide nominations for projects/operations in their area by the deadline of 20th October.
 - The Wales Rural Network is jointly facilitating the UK National Rural Network Event to be held in Belfast during October 2017.

Action: Secretariat to circulate WEFO website link on the ESF 60 Competition to members.

4. Sioned Evans also advised that a paper on Regional Investment in Wales outside of the EU is due to be published shortly. Two consultation events are planned in the autumn in order to stimulate discussion about how best to shape future arrangements.
5. In response to a member's question on exchanges rates used for the RDP, David McNeill advised that due to the requirement for a fixed level of domestic funding, budget restrictions may constrain the Welsh Government's ability to commit more funds to the RDP Programmes. The RDP team are currently working closely on this with a possibility that a modification may be brought to the PMC in December.
6. Following a comment from the chair on the reported low levels of expenditure, Peter Ryland responded that current concerns are being actively addressed with more training being made available to beneficiaries where needed. Although the exchange rate situation for the Structural Fund Programmes is slightly less complex than RDP the availability of match funding remains a challenge. Furthermore, as the date of EU exit draws closer, HMT are requesting more information on operations in line with the funding guarantee and a common planning rate across all UK Managing Authorities is yet to be agreed.
7. Sioned Evans also advised that, whilst good progress has been made on commitment and with spend starting to improve, the deadline of 30 March 2019 for planning approvals does significantly reduce the timetable. Additionally the fall in Sterling had increased the funding available, making the goal of delivering a full programme an even greater challenge. Members agreed on the importance of working together to achieve this goal but noted some of the challenges involved in declaring project spend.
8. The chair advised that she intends to write to the Welsh Government, in her role as Chair of the WPMC, in order to highlight the challenges discussed and the importance of achieving more progress on the issue of low levels of spend. Member agreed that this would be a helpful action to take.

ERDF Programmes

9. Sue Price, Head of ERDF Programmes, WEFO, advised that both ERDF programmes continue to make good progress, with a commitment level of 60% for the West Wales and the Valleys programme and 62% for the East Wales programme, meaning that overall commitment is up at 61 %. A further 8 operations, totalling £29 million have been approved since the June PMC

meeting and there are currently 34 operations in business planning stage for Priorities 1, 3 and 4 (£70 million WWV, £10 million EW). Sue Price also highlighted that planning rates are discussed and reviewed very frequently with a focus on meeting targets set.

10. Sue Price updated members on activity within each priority, highlighting the following:

- Priority 1 : Research and Innovation - The Centre for Environmental Biotechnology operation was approved this week and good progress is being made with the 17 operations that were progressed to business planning stage following the recent call. Following on from the success of the call held in early 2017 WEFO are considering a further call in early 2018, with a possibility for wider scope of activity. Pre-call conversations will be held towards the end of this year and a maximum of 8 weeks will be allocated for applications due to the need to approve operations in time for the March 2019 HMT deadline.
- Priority 2: SME Competitiveness - The Priority is settled with high commitment levels across both programmes. There is no apparent gap in provision therefore the current focus is very much on delivery for the portfolio of operations making up the 'Business Wales Family'.
- Priority 3: Renewable Energy and Energy Efficiency - Whilst progress is proving to be more challenging than anticipated, progress is being made particularly in working with developers keen to make use of the waters around Wales to deploy their wave and tidal energy devices. Two Marine Energy operations have been approved; META - a nursery site for short stay testing of wave devices and approval to support the consenting process of the Morlais Demonstration Zone. The recently closed Community Energy call was well received with a total of 43 proposals submitted. A number of these have moved into the Business Planning stage with approvals likely to come through next year. The results of the call will now provide the evidence needed for the preparation of the forthcoming Programme modification.
- Priority 4: Connectivity and Urban Development - Four regionally prioritised local authority Sites and Premises operations have been approved this week, including the Lime Avenue Business Park. The Tourism Attractor Destinations and Building for the Future operations continue to make good progress with a further six individual projects agreed by WEFO. Discussions are ongoing to identify ways to improve on monitoring delivery and speed up submission of claims. Discussions also

continue on the Next Generation Broadband operation, with the possibility of an approval by the end of 2017. The Welsh Government Transport Department continues to make steady progress on the Metro and discussions on this are continuing with Transport for Wales, the European Commission and JASPERS.

11. Sue Price also commented that ERDF outputs are often achieved later in the Programme period, in part due to the nature of infrastructure activities. Work is ongoing to address progress on the numbers of enterprises assisted and WEFO is working closely with European Commission colleagues on how to better reflect the medium to long term impact of Research and Innovation operations.
12. Members were reminded of the need to spend and deliver to profile and the opportunity to discuss further options with beneficiaries in more detail was welcomed.
13. A PMC member thanked Sue Price for her update and commented that when the Programme was first developed there had been low expectation for take under Priority 1, which has not now proven to be the case. The member questioned whether, given this rapidly changing environment, more could be done to increase related funding opportunities in Wales, and specifically around the impact and opportunities of the City Deals.
14. Sue Price confirmed that the portfolio is being reviewed as part of the modification itself and WEFO welcomes and needs full engagement from Stakeholders on this. WEFO has already taken risks with some operations and will continue to do so in order to enable emerging sectors to grow.

ESF Programmes

15. Michael Parkinson, Head of Skills & Economic Activity, WEFO, highlighted to members that some of the figures included in Table 4: Progress against indicators, had been updated and tabled a revised copy for members.
16. Michael Parkinson reported that the ESF programmes continue to make good progress with an overall financial commitment level of 73% across both programmes, 77% for West Wales and the Valleys and 61 % for East Wales. There is still £229m yet to be committed (£161 m West Wales & Valleys & £68m East Wales). A total of 79 operations are approved giving an overall commitment of £631m, an additional £3m ESF since the last PMC meeting.
17. The participant count is also making good progress, with the number of engaged participants currently at 95,000, 22% of the total number of participants required to achieve the overall target. To date there have been 5,000 participants helped

into work and 36,000 participants have gained qualifications, however it is still early days in terms of outcomes.

18. Michael Parkinson also highlighted the following:

- **Priority 1 - Tackling Poverty through Sustainable Employment Priority** - Commitment levels are currently 64% for the West Wales and the Valleys Programme and 39% for the East Wales Programme. Calls were held during the summer and have provided opportunities to commit a further £20m ESF in each programme area. Commitment is lower within this priority which will need to be taken into consideration when taking forward the Programme modification.
- **Priority 2 - Skills for Growth** - Commitment levels are high for this priority at 86% for the West Wales and the Valleys Programme and 57% for the East Wales Programme. A total of 58,000 participants have already been enrolled by approved operations. Overall performance is promising and achievement to date is ahead of schedule, with a number of performance framework targets for 2018 already achieved.
- **Priority 3 - Youth Employment and Attainment** - Again commitment levels are high for this priority, two new operations have been approved for the East Wales Programme since the last PMC meeting; Cynnydd and ADTRAC. Overall performance in the priority continues to remain very positive with over 20,000 participants engaged to date. Overall outcomes are strong particularly for the NEET target group where 80% of those engaged to date have achieved one of their key outcomes. The pace is much slower for the 'at risk' and STEM categories, due to time and numbers needed to make real progress in these areas with further investment needed to recruit participants to achieve the outcomes.

19. In response to a request from the chair on progress with Early Years Childcare, Michael Parkinson confirmed that whilst workforce delivery of activity is underway, no indicators have been claimed to date. Good progress has been made with lots of activity underway and work has been closely aligned with the Apprenticeships operations. The sector has also identified a need for Level 3 qualifications in Child Development and Care qualifications.

Welsh Government Rural Communities - Rural Development Programme

20. David McNeill, Deputy Head of the Rural Development Programme Managing Authority, provided an update highlighting that the first programme modification had now been approved, which had resulted in a financially smaller programme at £774.4 million. However work on the ground has kept pace and is now starting to build a rhythm, with spend currently at 14% and continuing to grow. The report

presented to members now also shows progress on the indicators that has been made.

21. David McNeill explained the difference between the forecast figures of the RDP and the ERDF & ESF programmes. RDP forecast figures only relate to the delivery profile of approved projects. For some types of project data is only captured upon project completion, therefore some achievements currently only stand at 0%; for example many on the socio-economic side. Work is currently ongoing to try and report a more reflective view of progress and this reporting will evolve.
22. Payments currently stand at £104m which is up £20m since the last PMC meeting. For the Socio-economic schemes a total of 637 Expressions of Interest have been invited to submit a full application, an increase of 65 since the last PMC meeting. 235 projects have been approved to date, which is an increase of 50% since June 2017. This brings a total commitment of £184m for these schemes.
23. For the land-based schemes a total of £249m has been committed of a planned amount of £332m; payments stand at £97m, an increase of 29%.
24. David McNeill explained to members that there are differing levels of commitment with current commitment at project level at 59% as opposed to Intermediate Body (IB) level which is at 100%. This will be reported in future papers to the PMC as it gives a better picture of the progress made.

Action - RDP commitment at project level to be included in future PMC papers.

25. David McNeill then explained that a number of improvements have been made now that the various schemes had had time to get fully underway. Examples of these improvements include:
 - Following two rounds of the Farm Business Grant fine-tuning of the expenditure criteria, and resolution of a business partner's IT problems.
 - Issues encountered with our own IT systems have been resolved, which means payments can now be made to projects with Multi Focus Areas.
 - The European Innovation Partnership (EIP) structure has been altered to facilitate with sponsor applications.
 - The guidance for the Rural Community Development Fund and Sustainable Management Scheme has been amended in order to speed up results.
 - To address overlap and duplication issues with Co-Operation EOIs a cooperation and improvement workshop was held with beneficiaries to rationalise applications.

- Measure 1 KT&I (Farming Connect) first claim had been paid and will be included in the next PMC report.

26. In response to a member's question seeking clarity on the process for direct applications, David McNeill confirmed that the figures reported also include the LEADER projects and tendered contracts. There are other direct applications through WG led initiatives and clarity on this will be provided in future reports.

Action: WG to clarify vocabulary in future reports.

27. Another member questioned whether costs of implementation could be reported in light of the need to highlight the benefits of keeping the implementation in Wales post March 2019. David explained that the ongoing WAO audit on for value for money would be useful in this respect.

Action: WG to supply members with a copy of Welsh Audit Office review once finalised.

28. The Chair also commented that defensive lines to take on this would be useful preparation in order to support the current stance taken by both Wales and Scotland on the need to keep the powers devolved.

29. In response to DG Agri's question on reaching 2018 milestones / targets, David McNeill explained that WG do not have any concerns about reaching the milestones and that expenditure targets would be met with; however, a significant amount of further work would be involved in order to meet other milestones.

30. A member commented that a list of RDP approved operations, similar to that produced by WEFO would be useful.

Action: - A list of approved RDP operations to be included in the papers at future PMC meetings.

31. One member raised a further question on the high levels of drop-off between the EOI and full application stage for the Rural Community Development Fund. Gail Merriman explained that these applicants often lack capacity and the policy team had worked very hard with beneficiaries to understand and work through the issues. Improvements have now been made and better FAQs made available on the website for applicants, and the situation is being continually monitored. Members were impressed with the effort being made to understand and resolve these issues and it was suggested that the Local Action Groups and Lead

Delivery Bodies could also assist.

32. Sioned Evans added that, from a WEFO perspective attempts were also being made to work closely with beneficiaries to streamline processes as much as possible. Members were supportive of any opportunities to remove obstacles and reduce administrative burden where possible.

ITEM 4: ERDF and ESF Programme Modifications

33. Tom Smithson provided members with an update on progress with the planned modifications to the Structural Fund Programmes. He explained that the availability of more data from the recent calls had helped to give a clearer understanding, and in some cases, has changed some of the assumptions made in the proposal paper presented at the PMC meeting in June. Tom Smithson outlined some of the issues faced by each of the funds:
- ERDF - The assumptions and methodology initially used for the target setting show that past experience has not always been the best indicator, mainly due to the introduction of new activity not undertaken in previous Programmes. For example; Research & Innovation is currently focusing on smart specification & collaborations meaning that business numbers are not as high as previously. Therefore, one of the changes proposed is a reduction in the number of businesses and an increase in the number of collaborations.
 - ESF - A tightening of the labour market is creating challenges when identifying participants and the continuing austerity is bringing significant pressures for all sectors when trying to secure match funding. The indicator issues are not the same as ERDF as they are broadly doing the same activity as the previous programmes. Some minor adjustments are needed to the indicators; for example the 'Skills/No Skills' definition to be amended to 'No/Low Skills' to reflect the actual intention of this indicator and due to the difficulties identified in meeting the EC definition of 'no skills'. The modification will also look to introduce 'capacity building' as a new activity to the Programmes in order to reflect ongoing work on the regionalisation of economic development.
34. Tom Smithson confirmed that a method paper will be presented for discussion at the PMC meeting in December and formal negotiations will commence with the EC after that.
35. In response to a query from one member on the consultation process to be undertaken, Tom Smithson confirmed that discussions will be undertaken with key groups now that the likely changes are known.
36. Another member asked whether more could be done to support the 'hidden

poverty' agenda for people already in work. Michael Parkinson explained that the calls over the summer period had covered this area, and although the priority is still open for proposals, there has been less demand.

ITEM 5: RDP Information and Publicity Strategy To include: WRN workplan 2017

37. John Davies was invited to provide an overview and update on the RDP Information and Publicity Strategy. John explained that the paper and associated workplan outline the approach to publicising the schemes funded through the Rural Development Programme. The workplan forms a vital part of the Wales RDP Information and Publicity Strategy and plays a key role in coordinating the communications, information and publicity activities for the Wales RDP and associated schemes. John Davies went on to explain that the Wales Rural Network Support Unit was established to organise networking, training and information exchange opportunities to support the implementation and delivery of the Welsh Government Communities - Rural Development Programme 2014-2020. He then moved into the presentation in order to provide an overview of the work of the team.

38. The Commission representative welcomed this point. He passed the message that the Strategy paper should serve mainly needs of Wales, regardless the EU regulatory obligations. DG Agri also invited WG to continue in planned activities with the aim further enhancing them.

Item 6: Presentation: Rural Wales Network

39. John Davies was invited to deliver a presentation on the work of the Wales Rural Network. The following key points were made:

- The importance of the role of the Wales Rural Network in allowing the parties involved in rural development to network and interact. The network also works hard to promote funding opportunities and showcase examples of projects funded. Advice and guidance is provided on all aspects of community-led local development to the Local Action Groups.
- The Wales Rural network Support Unit forms part the UK National Rural Network which brings together rural networks from across the UK. This enables the gathering and sharing of information, best practice and available training.
- The European Network for Rural Development shares information, best practice and communications across all European Union development programmes.

40. The presentation also included a demonstration of the WRN website to members. Two videos were shown to members, live-streamed from the website; the first on "Community Renewable Energy and Efficiency" in Monmouthshire and secondly a video on "Snowdonia Giving - Rhodd Eryri" which encourages local contribution towards projects within the area.
41. Members welcomed John Davies presentation and made the following comments:
- Emphasised the importance of seeing the impact of projects 'on the ground' with the ability to search on the website by geographical area being a real advantage. Suggested that the geographical database might be strengthened to show further written detail on why a project has been approved and what activity it carries out.
 - Requested that the Structural Funds list of operations also show the individual projects approved under the umbrella operations along with details of geographical location.
 - Emphasised the benefits of engagement with the European Network for Rural Development and encouraged an increase in the participation of this network.
 - Highlighted the advantages of having good communications on the programmes and the importance of getting the message out there to demonstrate what has been achieved for Wales.
 - Commended the work of the Network emphasising a significant improvement from the previous programmes.
42. In response to a question on the involvement of rural communities outside of the Leader membership, John Davies confirmed close links with Farming Connect in order to get the messages out there, along with the use of other communication tools such as Twitter and regular newsletters.

Item 7: Future Regional Policy Update

43. The chair advised members that, the First Minister and the Cabinet Secretary for Finance and Local Government had launched its third Brexit document on 7th September - Brexit and Fair Movement of People - as part of the 'Securing Wales' Future' series.
44. Tom Smithson was then invited to provide an update to members on the latest progress. He reiterated the importance of the Withdrawal Bill and highlighted the quick reaction from both the First Minister of Wales and the First Minister of Scotland. Earlier in the week the Scottish Government had issued a statement on why both Scotland and Wales were opposing the bill and set out their jointly agreed recommended amendments to it. The bill has some potentially significant constraints for the development of future policy.
45. Since the last PMC meeting External Affairs and Additional Legislation Committee have published the results of their review on 'What next for Wales'

which is due to be debated in plenary on 27 September 2017

46. Tom Smithson also commented that all Welsh Government Brexit papers released to date have been well received and the next in the series of papers to be released is on the future of regional policy. This is due to be released with the next month. The paper is very much intended to start conversations about the broad principles of regional funding with the intention of an open and transparent partnership approach using the legacy of the management of the ESI funds.
47. Members made the following comments:
- The importance of using the paper to influence thinking and decisions made in Whitehall where possible.
 - Clarity on the proposed UK Shared Prosperity Fund is yet to be released and more engagement and discussions with Whitehall will be vital.
 - Consultation exercises will ensure that lessons learned from EU funding can be taken forward and used in the future. It was acknowledged that members had a role in stimulating debate within their own areas.
 - The importance of bringing communities together with this consultation and attempting to address the generational divide.
48. Rob Halford confirmed that WEFO consultation events would be held in both north and south wales to ensure a collaborative engagement with all partners. There will also be the opportunity for wider stakeholder engagement: with WEFO staff available and keen to engage directly with stakeholders and their constituencies in ways that stakeholders feel most appropriate to ensuring the fullest possible participation.

Item 8: Any Other Business

49. Members were directed to the following papers to note with no further comments raised:
- RDP Selection Criteria and Annex 1 were agreed by members.
 - 2016 Annual Implementation Reports: PMC Members' Comments and The Managing Authority's Responses paper.
50. Sioned Evans presented the paper on PMC Future Dates where members agreed the following:
- A two-day PMC meeting should be held in North Wales in 2018.
 - PMC meetings would continue to be held on a Friday.
 - The number of PMC meetings would move from 4 to 3 times a year.
 - The reduction in meetings would give members more time to engage with projects in their areas.

Action: PMC Secretariat to send out dates for 2018 meetings ASAP

51. The next PMC meeting will take place on Friday 1 December 2017 at the WG Merthyr office.

PMC Secretariat September 2017

**Wales PMC European Structural and Investment Funds 2014 -2020
15 September 2017**

Welsh Government Office, Merthyr

Tydfil Chair - Julie Morgan (AM)

Members nominated on a representative basis, from partners and statutory bodies:

Dr David Blaney	Higher Education Funding Council for Wales
Derek Walker	Wales Co-operative
Rhian Jardine	Environmental Sustainability (Natural Resources Wales)
Lowri Gwilym	Local Government (WLGA)
Charlotte Priddy	Farming Union Wales (FUW)
Huw Bryer	<i>Alternate for Duncan Hamer</i> - Welsh Government (Economy, Skills and Natural Resources)
Professor David Shepherd	Higher Education Wales
Jocelyn Llewellyn	Jobcentre Plus
Lowri Owain	LEADER
Alex Bevan	Wales TUC
Rachel Garside-Jones	Acting Deputy Director, Skills, Employability and EU Funding

Members selected via the Public appointments process:

Beth Winkley Sian Price
Professor Richard B Davies
 David (Dai) Davies Grahame
 Guilford Joy Kent

Advisors:

Guus Muijzers	European Commission, UK Desk Officer responsible for the 2014-2020 Programmes, DG Regio
Joanna Gawrylczyk-Malesa	European Commission, Desk Officer for ESF Programmes, DG Employ.
Marek Beran	European Commission, DG AGRI
Alexander Bartovič	European Commission, Head of Unit at DG AGRI

Programme Managing Authorities:**Welsh European Funding Office / Department for Economy, Skills and Natural Resources**

Sioned Evans	Chief Executive, WEFO (ERDF, ESF)
David McNeill	Head of Rural Development Division
Rob Halford	Head of Planning and Strategy, WEFO
Peter Ryland	Deputy Director, Programme Performance & Finance (ERDF, ESF)
Sue Price	Head of ERDF Programmes
Michael Parkinson	Head of Skills & Economic Activity, WEFO
Gail Merriman	RDP Community and Co-operation Schemes Manager
John Davies	Head of Wales Rural Network
Tom Smithson	Head of Strategy, WEFO
Cath Cleaton	Secretariat
Rhiannon Clancy	Secretariat
Aled Wright	Secretariat

APOLOGIES

Tom Whyatt	Business and Enterprise (Industry Wales)
Arfon Williams	RSPB
Julie Cook	Wales TUC
Duncan Hamer	Welsh Government (Economy, Skills and Natural Resources)
Phil Fiander	Wales Council for Voluntary Action (WCVA)

WALES PROGRAMME MONITORING COMMITTEE, EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014 – 2020

PROGRAMME MONITORING REPORT

Overview

This paper provides an update on the implementation of the European Structural and Investment Funds Programmes: the Rural Development Programme 2014-2020, the West Wales and the Valleys ERDF and ESF Programmes and the East Wales ERDF and ESF Programmes. Fund-specific reports can be found at Annexes 1 to 3. All data is at 31/10/2017. The planning rates used in the report are £1:€1.17 for the Structural Funds Programmes and £1:€1.25 for the Rural Development Programme 2014-2020. References to the previous PMC meeting given throughout refer to the September 2017 PMC meeting.

Overall position

- 166 operations worth £2,612m (including EU funding of £1,387m), are currently being supported by the Structural Funds and will assist over 40,300 businesses and provide training/employment support for over 404,700 people.
- The RDP 2014-2020 currently supports a total of 6,877 agri-environment contracts, covering 676,469ha, along with 593 new organic contracts covering 72,562ha. There has been 462ha of new woodland created through Glastir Woodland Creation. In addition there has been 4,005 participants trained with 524 beneficiaries advised.

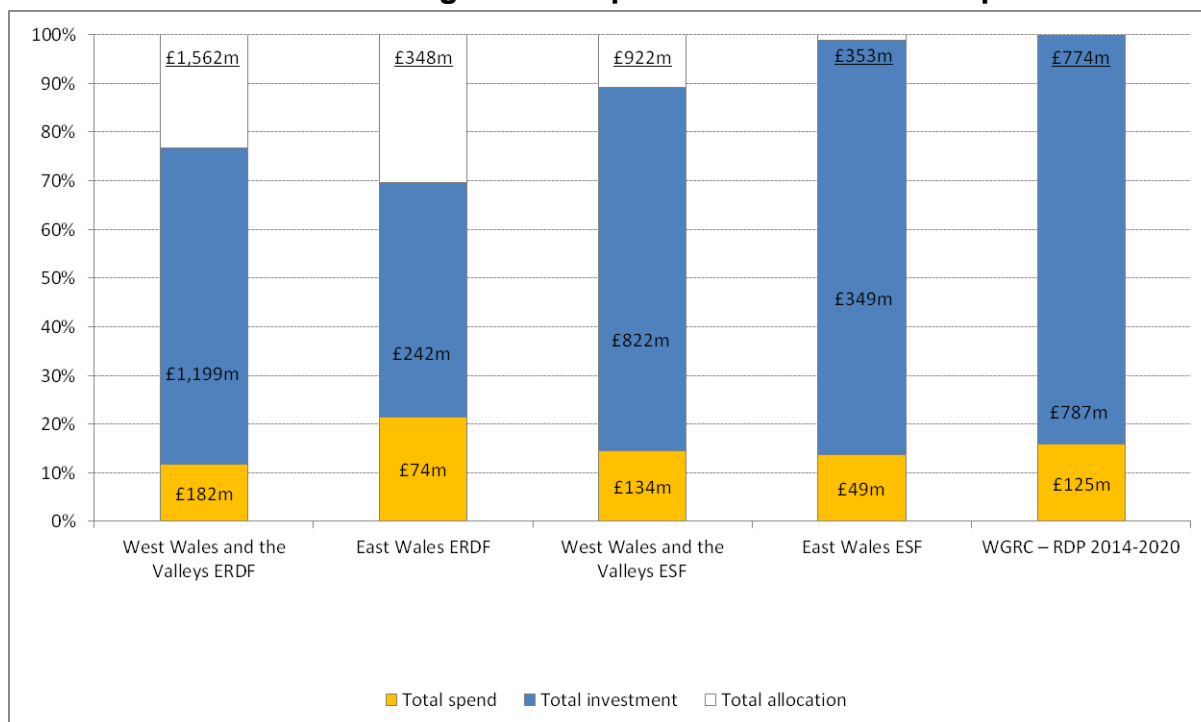
Financial progress

Commitment

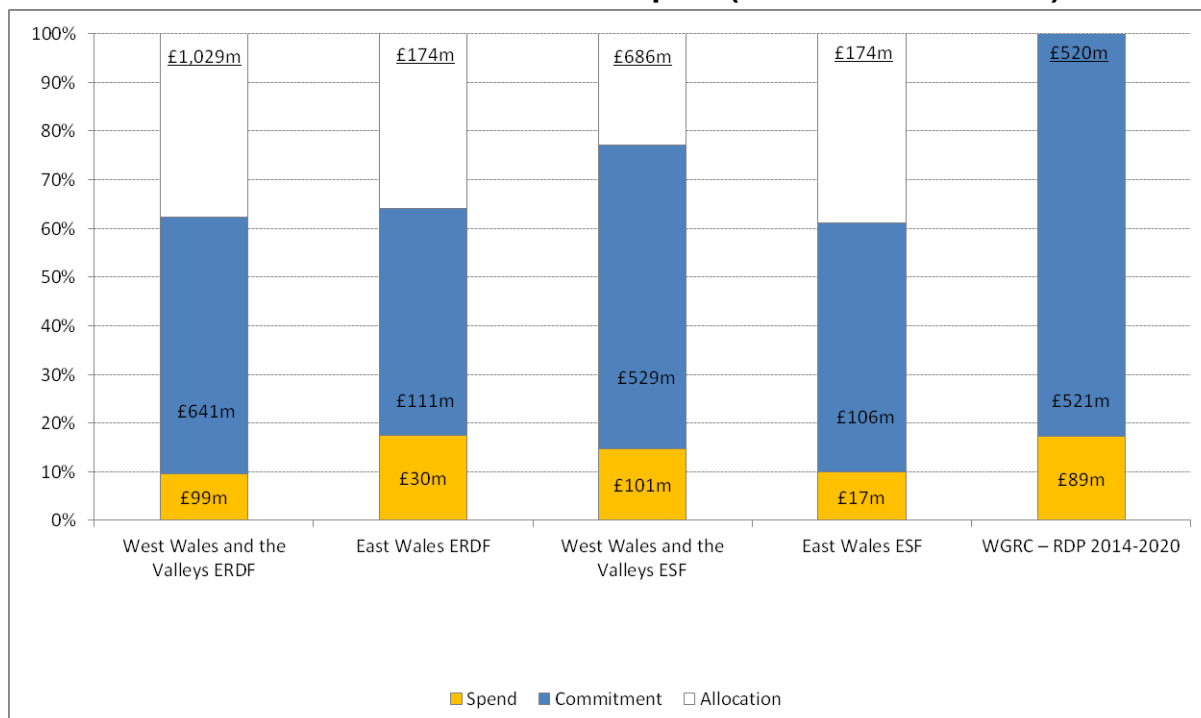
- Under the ERDF Programmes, total commitment currently stands at £1,441m (75% of the total allocation), of which £753m is EU funding (63% of the EU allocation).
- Under the ESF Programmes, total commitment currently stands at £1,171m (92% of the total allocation), of which £635m is EU funding (74% of the EU allocation).
- Under RDP2014-2020, total commitment currently stands at £787m (102% of programme value) of which £521m is EU funding.

Spend

- Around £256m of total spend has been recorded under the ERDF Programmes, of which £129m is EU funding
- Around £183m of total spend has been recorded under the ESF Programmes, of which £118m is EU funding
- Around £125m spend has been recorded across the RDP2014-2020 of which £89m is EU Funding.

Chart 1: Total Programme Expenditure Committed / Spent

For RDP 2014-2020 Total Programme Expenditure consists of EAFRD along with Welsh Government domestic funding. For the Structural Funds Programmes it consists of ERDF or ESF along with match funding.

Chart 2: EU funds Committed / Spent (ERDF / ESF / EAFRD)

Indicator Data

Indicator	Target	Project Forecast	Profiled to date	Achieved to date
ERDF				
Enterprises supported	45,512	40,322	9,413	3,230
<i>of which</i>				
Enterprises created	7,400	10,037	2,251	394
Employment increase in supported enterprises	26,980	31,860	7,010	3,442
Amount of research funding secured	£230m	£192m	£44m	£39m
Increase in level of export	£233m	£215m	£46m	£34m
Additional capacity of renewable energy production	28	1	-	-
Number of households with improved energy consumption classification	9,700	3,825	-	-
Public transport services created or improved	2,920,000 vehicle km	-	-	-
ESF				
People assisted	434,100	404,700	121,469	104,201
<i>of which</i>				
Young people assisted	150,000	104,639	37,541	29,155
People supported into employment	40,642	50,627	9,567	5,808
People gaining qualifications	194,633	228,253	34,192	37,666
EAFRD				
Physical area supported	688,000	528,010	-	676,469
People in training	13,000	13,500	-	-
Agricultural holdings supported	3,773	542	-	553

Source: Welsh Government, 31/10/2017

Annexes**Annex 1: ERDF Update****Annex 2: ESF Update****Annex 3: WGRC-RDP 2014-2020 Update****Annex 4: Structural Funds: Approved Operations List****Annex 5: WGRC-RDP2014-2020: Socio-economic Approved Projects List****Annex 6: Performance Framework**

Section 1: ERDF Programmes: Commitment

1. This section gives details of current financial progress under the ERDF Programmes, including an overview of the Programmes and information at Priority-level.
2. Table 1 shows the number and amount of EU Grant committed to approved Operations under the West Wales and the Valleys and East Wales ERDF Programmes.

Table 1: EU Grant Commitment by Programme and Priority: Approved Operations

											£ Millions
Priority	Operations	Allocation		Committed				Spend			
		Total¹	EU Grant¹	Total²		EU Grant²		Total³		EU Grant³	
West Wales and the Valleys ERDF											
1	20	386.5	255.8	358.7	(93%)	210.6	(82%)	34.0	(9%)	19.7	(8%)
2	7	284.8	177.8	275.8	(97%)	146.4	(82%)	96.8	(34%)	46.9	(26%)
3	8	210.3	146.0	79.2	(38%)	48.8	(33%)	13.2	(6%)	6.9	(5%)
4	20	652.6	428.5	458.9	(70%)	216.1	(50%)	34.8	(5%)	22.8	(5%)
5	7	27.6	20.6	26.4	(96%)	19.5	(95%)	3.5	(13%)	2.3	(11%)
Total	62	1,561.8	1,028.6	1,199.0	(77%)	641.3	(62%)	182.2	(12%)	98.7	(10%)
East Wales ERDF											
1	9	152.3	76.2	146.3	(96%)	64.2	(84%)	22.1	(14%)	7.1	(9%)
2	7	68.2	34.1	63.2	(93%)	31.6	(93%)	40.5	(59%)	17.1	(50%)
3	1	38.3	19.1	7.1	(19%)	3.6	(19%)	0.0	(0%)	0.0	(0%)
4	2	81.8	40.9	18.6	(23%)	9.3	(23%)	11.0	(13%)	5.7	(14%)
5	6	7.0	3.5	7.0	(101%)	2.8	(81%)	0.7	(10%)	0.3	(9%)
Total	25	347.5	173.8	242.2	(70%)	111.4	(64%)	74.2	(21%)	30.3	(17%)
Total ERDF	87	1,909.3	1,202.4	1,441.2	(75%)	752.7	(63%)	256.4	(13%)	128.9	(11%)

Source: WEFO, 31/10/2017

¹ Based on a conversion rate of £1:€1.17

² Percentages show committed as share of allocation

³ Percentages show spend as share of allocation

Overall Programme Update

3. The two ERDF Programmes continue to make good progress with 87 operations approved committing nearly £753 million grant and representing 63% of the programme values. Commitments continue at a steady pace with a healthy pipeline and continued interest in the programmes being maintained.
4. As delivery unfolds it is clear that forecasts underpinning the original design of some areas of the programmes have been proven not to hold true. As such a number of potential programme modifications are presented in a paper **WPMC(17)120** for the WPMC to consider. Primarily these changes for consideration present options for a limited amount of ERDF to be reallocated and changes to the indicators and targets within the agreed programmes to reflect updated evidence and to maintain a focus on results.

5. So far £99m (10% WWV) and £30m (17% EW) has been paid out to project sponsors. Currently there are payments awaiting authorisation by WEFO amounting to £11.5m and £2.4m for the West Wales and East Wales respectively; taking these into account the payments to sponsors rise to £110m (11%) in West Wales and the Valleys and £33m (19%) in East Wales.
6. These spend figures have translated into a drawdown of funds from the European Commission of 9.5% of the grant allocation in West Wales and the Valleys and 20.2% of the grant allocation in East Wales which is well above the EU average of 4%. All Programmes have met the 2017 N+3 targets and ERDF East Wales has achieved the 2018 target and strong progress is being made on the ERDF West Wales Programme.

Section 2: Progress by Priority Axis

Priority 1: Research and Innovation

Table 2: EU Grant Commitment by Specific Objective

											£ Millions
Specific Objective	Operations	Allocation		Committed				Spend			
		Total	EU Grant	Total		EU Grant		Total		EU Grant	
West Wales and the Valleys ERDF											
SO1.1	9	154.6	102.3	167.3	(108%)	101.3	(99%)	7.0	(5%)	3.9	(4%)
SO1.2	11	231.9	153.5	191.4	(83%)	109.3	(71%)	26.9	(12%)	15.8	(10%)
Total	20	386.5	255.8	358.7	(93%)	210.6	(82%)	34.0	(9%)	19.7	(8%)
East Wales ERDF											
SO1.1	4	57.5	28.7	51.2	(89%)	21.9	(76%)	18.2	(32%)	5.2	(18%)
SO1.2	5	94.8	47.4	95.1	(100%)	42.3	(89%)	3.9	(4%)	1.8	(4%)
Total	9	152.3	76.2	146.3	(96%)	64.2	(84%)	22.1	(14%)	7.1	(9%)

Source: WEFO, 31/10/2017

Notes:

SO1.1: Research capacity

SO1.2: Commercialisation

Table 2a: Approvals since the last PMC

£ Millions

Operations	West Wales and the Valleys		East Wales	
	Total	EU Grant	Total	EU Grant
SMARTAQUA (Swansea University)	2.0	1.4		
ASTUTE East (Swansea University)			8.0	4.0

7. Progress continues to be good. In addition to the approval of the Centre for Environmental Biotechnology announced at the last WPMC there has been the first approval, SMARTAQUA, from the operations submitted under the Specific Objective 1.2 call and Swansea University's ASTUTE East operation. Further call related commitments worth over £20m ERDF are planned in both programme areas before the end of 2017.
8. It is recognised that further commitments are required. In order to do this in the most strategic manner WEFO is actively discussing the parameters of a further Priority 1 call with stakeholders, including two sessions run in partnership with the Regional Engagement Teams during November. The call is likely to focus around building research and innovation capacity in Wales that will lead to increased collaboration with industry and with organisations outside Wales.

9. WEFO continues to review existing operations to ensure that any potential de-commitments are identified at an early stage so that the funds can be recycled.

Table 3: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO1.1 To increase the success of Welsh research institutions in attracting competitive and private research funding	Amount of research funding secured	£165m	£137m	£20m	£16m	£65m	£55m	£25m	£23m
	Number of enterprises cooperating with supported research institutions	160	344	24	94	90	81	5	2
	Number of improved research infrastructure facilities	6	8	-	-	2	2	1	1
	Number of new researchers in supported entities	470	381	35	24	290	102	44	36
	Number of researchers working in improved research infrastructure facilities	200	384	-	7	110	66	58	38
SO1.2 To increase the successful translation of research and innovation processes into new and improved commercial products, processes and services, in particular through improved technology transfer from HEIs	Number of enterprises supported to introduce new to the market products	490	143	4	6	300	73	-	-
	Number of enterprises supported to introduce new to the firm products	725	336	42	31	440	113	-	-
	Number of enterprises cooperating with supported research institutions	1,212	337	110	102	715	94	1	-
	Number of enterprises receiving grants	520	330	60	-	320	357	37	-
	Number of enterprises receiving non-financial support	3,750	855	166	175	2,245	304	51	48
	Number of new enterprises supported	30	31	1	2	20	6	-	-
	Private investment matching public support in innovation or R&D projects	€42.8m	€40.5m	€7.9m	€0.4m	€26.2m	€22.4m	€3.0m	€0.0m
	Employment increase in supported enterprises	1,125	365	7	-	670	120	-	-
	Number of patents registered for products	519	154	11	11	315	56	2	3
	Number of pilot projects completed	n/a	48	3	-	n/a	-	-	-
	Enterprises adopting or improving:								
	- equality and diversity strategies and monitoring systems	956	20	-	-	515	-	-	-
	- sustainable development strategies and monitoring systems	956	20	-	-	515	-	-	-

Source: WEFO, 31/10/2017

10. Indicator performance continues to increase but we have already recognised that the medium to long term nature of research and innovation investments means that it will take time for their impact to show. The information in Table 3 above is generated only from approved operations and does not, therefore, take account of expected outputs from operations currently in development. As advised in previous reports, we are expecting most of the SO 1.2 Project Forecast figures for both WW&V and EW to significantly increase.
11. The Programme Modification paper sets out the rationale for proposed changes to indicators in this Priority.

Priority 2: SME Competitiveness

Table 4: EU Grant Commitment by Specific Objective

£ Millions											
Specific Objective	Operations	Allocation		Committed				Spend			
		Total	EU Grant	Total		EU Grant		Total		EU Grant	
West Wales and the Valleys ERDF											
SO2.1	1	93.9	58.6	149.6	(159%)	74.8	(128%)	61.2	(65%)	28.2	(48%)
SO2.2	1	23.5	14.7	31.0	(132%)	18.6	(127%)	10.2	(44%)	5.3	(36%)
SO2.3	1	14.9	9.3	8.6	(58%)	5.2	(56%)	2.4	(16%)	1.2	(13%)
SO2.4	3	125.4	78.3	45.2	(36%)	27.0	(35%)	15.6	(12%)	8.6	(11%)
SO2.5	1	27.2	17.0	41.4	(152%)	20.7	(122%)	7.4	(27%)	3.7	(22%)
Total	7	284.8	177.8	275.8	(97%)	146.4	(82%)	96.8	(34%)	46.9	(26%)
East Wales ERDF											
SO2.1	1	18.4	9.2	22.3	(121%)	9.9	(107%)	19.6	(106%)	7.9	(86%)
SO2.2	1	7.0	3.5	10.3	(147%)	6.2	(176%)	3.8	(54%)	1.9	(53%)
SO2.3	1	2.8	1.4	3.5	(127%)	1.7	(122%)	1.0	(37%)	0.4	(27%)
SO2.4	3	34.3	17.2	14.3	(42%)	8.3	(48%)	5.3	(16%)	2.7	(16%)
SO2.5	1	5.6	2.8	12.7	(227%)	5.5	(197%)	10.7	(192%)	4.3	(154%)
Total	7	68.2	34.1	63.2	(93%)	31.6	(93%)	40.5	(59%)	17.1	(50%)

Source: WEFO, 31/10/2017

Notes:

SO2.1: Access to Finance

SO2.2: Start-ups

SO2.3: ICT take up and exploitation

SO2.4: Employment Growth in SMEs

SO2.5: Risk Capital Finance

Approvals since the last PMC

12. No approvals since previous PMC.

13. The priority is settled with commitment levels across both programmes good with an integrated portfolio developed around operations making up the 'Business Wales Family' encompassing Welsh Government, Wales Co-Operative Centre, Development Bank for Wales and the WCVA.

14. Finance Wales has now fully evolved into the Development Bank for Wales and continues to perform well against profile. There remains potential to invest further in the Wales Business Fund to absorb some of the uncommitted funds within West Wales and the Valleys. The Programme modification for East Wales is required to put a further substantial investment into the Fund which is over-performing in the East Wales area.

15. Also WEFO is in discussion with Welsh Government and the Wales Co-operative to explore a potential niche gap in provision, namely a start-up provision for social enterprises who look likely to grow once established but

who require specific expert support over and above that provided by the mainstream provision and discussions with the WCVA are also on-going to consider an expansion to the Social Business Growth Fund, being repayable grant finance.

16. Given the settled nature of the priority in both programmes the focus is very much on delivery and WEFO continues to closely monitor progress, paying particular attention to delivery and the reporting of indicators, which has fed into a mid term review of operations funded from the priority, so informing the proposed Programmes' Modification.
17. WEFO hosted its annual SME Competitiveness event bringing together members of the Business Wales Family together with the Regional Engagement Teams in October 2017, to report on delivery and performance. The event provided an opportunity for the 'Family' to report on progress and for key messages for example around spend to be shared. It was also an opportunity to outline potential programme modification changes and to bring everyone up to date on the work being undertaken around future economic policy development. An event in 2018 will be organised.

Table 5: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO2.1 To increase the amount of finance available to SMEs for both business start-up and for business expansion	Investment in enterprises	£91.6m	£149.6m	£24.8m	£31.0m	£25.9m	£22.3m	£3.6m	£60.8m
	Number of enterprises receiving grants	160	-	-	-	45	-	-	-
	Number of enterprises receiving financial support other than grants	235	228	37	32	65	31	5	21
	Private investment matching public support to SMEs - Non-grants	€132.0m	€101.0m	€16.7m	€20.2m	€37.3m	€16.8m	€2.8m	€58.3m
	Employment increase in supported enterprises	2,300	1,954	-	-	650	265	-	-
	Enterprises adopting or improving:								
	- sustainable development strategies and monitoring systems	190	-	-	-	60	-	-	-
	- equality and diversity strategies and monitoring systems	190	-	-	-	25	-	-	-
SO2.2 To increase the number of SME start-ups through the provision of information, advice and guidance and support for entrepreneurship	Number of new enterprises supported	5,150	6,000	1,370	275	2,200	4,000	880	117
	Number of enterprises receiving non-financial support	275	-	-	-	120	-	-	-
	Individuals receiving support	14,350	6,000	-	-	6,200	4,000	-	-
	Individuals receiving support - Female individuals	7,300	-	-	-	3,100	-	-	-
	Individuals receiving support - BME individuals	375	-	-	-	445	-	-	-
	Individuals receiving support - Disabled individuals	3,650	-	-	-	1,350	-	-	-
	Employment increase in supported enterprises	8,800	10,250	2,510	555	3,800	6,750	1,652	130
	Enterprises adopting or improving:								
	- sustainable development strategies and monitoring systems	2,710	1,500	366	28	465	1,000	244	4
	- equality and diversity strategies and monitoring systems	2,710	1,500	366	35	1,165	1,000	244	6
SO2.3 To increase the take-up and exploitation of NGA networks and ICT infrastructure by SMEs	Number of enterprises supported to introduce new to the firm products	1,480	1,480	200	-	400	400	60	-
	Number of enterprises receiving non-financial support	3,450	3,823	945	634	900	1,094	283	356

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Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO2.4 To increase the growth of those SMEs with growth potential, in particular through accessing new markets (both domestic and international)	Employment increase in supported enterprises	6,450	7,215	1,724	1,986	2,550	4,606	1,117	771
	Number of enterprises receiving grants	40	30	6	-	10	15	3	-
	Number of enterprises receiving financial support other than grants	330	-	-	-	115	-	-	-
	Number of enterprises receiving non-financial support	13,650	12,400	3,184	999	5,400	8,170	2,078	511
	Private investment matching public support to SMEs - Grants	€4.3m	€0.4m	€0.1m	€0.0m	€2.2m	€0.4m	€0.1m	€0.0m
	Private investment matching public support to SMEs - Non-grants	€6.6m	€0.0m	€0.0m	€0.0m	€3.4m	€0.0m	€0.0m	€0.0m
	Increase in level of export	£167.1m	£130.0m	£29.5m	£23.7m	£65.9m	£85.0m	£16.8m	£10.1m
	Enterprises adopting or improving:								
	- sustainable development strategies and monitoring systems	8,700	5,000	1,120	109	1,300	3,300	811	43
	- equality and diversity strategies and monitoring systems	8,700	5,000	1,120	145	3,200	3,300	811	64
SO2.5 To address market failures in the availability of finance, in particular risk capital, for Welsh SMEs to undertake innovation and commercialise R&D	Investment in enterprises	£26.5m	£41.4m	£6.8m	£2.7m	£7.2m	£12.7m	£2.0m	£16.0m
	Number of enterprises receiving financial support other than grants	90	49	-	6	25	-	-	11
	Private investment matching public support to SMEs - Non-grants	€23.8m	€27.9m	€4.6m	€2.0m	€14.1m	€9.7m	€1.6m	€12.9m
	Employment increase in supported enterprises	490	265	-	-	145	70	-	-
	Number of enterprises supported to introduce new to the firm products	20	24	-	6	5	6	-	-
	Enterprises adopting or improving:								
	- sustainable development strategies and monitoring systems	45	-	-	-	5	-	-	-
	- equality and diversity strategies and monitoring systems	45	-	-	-	13	-	-	-

Source: WEFO, 31/10/2017

18. The ERDF programmes have experienced significant changes with respect to the approaches to targeting of funding so for example business support is expected to focus on businesses with genuine potential to grow (e.g. to 10 or more employees). This has taken a little while to embed resulting in performance, in certain aspects of business support activity, being slower than expected. However delivery and therefore performance has improved and with a fresh marketing campaign launched in September 2017 it is anticipated the progress in delivery being made will continue to drive improve overall performance. Performance measures are in place such as contractor's performance being monitored closely and beneficiaries have held workshops with the contractors to identity good practice, particularly around Cross Cutting Themes. The on-going

development of a digital system to capture outputs will reduce difficulties experienced in capturing and recording relevant evidence.

19. The Social Business Wales operation that also makes up the Business Wales 'family' offering is performing well alongside the Broadband Exploitation Operation.
20. The Wales Business Fund is performing well and is ahead of profile on most indicator outputs with the exception of 'Investment in Enterprises' and 'Private Investment matching public sector support in SMEs – non grant' which are running slightly behind in West Wales. The Development Bank of Wales is addressing this by recruiting additional fund management staff in West Wales, with a focus on targeting SMEs requiring equity investment to commercialise R&D.
21. The Social Business Growth Fund is performing well and indicators will begin to flow through in the next claims.
22. The Programme Modification paper sets out the rationale for proposed changes to indicators in this Priority.

Priority 3: Renewable Energy and Energy Efficiency

Table 6: EU Grant Commitment by Specific Objective

£ Millions											
Specific Objective	Operations	Allocation		Committed				Spend			
		Total	EU Grant	Total		EU Grant		Total		EU Grant	
West Wales and the Valleys ERDF											
SO3.1	6	123.6	85.8	41.4	(33%)	22.6	(26%)	13.2	(11%)	6.9	(8%)
SO3.2	1	28.8	20.0	9.4	(33%)	6.5	(33%)	0.0	(0%)	0.0	(0%)
SO3.3	1	57.9	40.2	28.4	(49%)	19.7	(49%)	0.0	(0%)	0.0	(0%)
Total	8	210.3	146.0	79.2	(38%)	48.8	(33%)	13.2	(6%)	6.9	(5%)
East Wales ERDF											
SO3.1	0	7.7	3.8	0.0	(0%)	0.0	(0%)	0.0	(0%)	0.0	(0%)
SO3.2	1	30.6	15.3	7.1	(23%)	3.6	(23%)	0.0	(0%)	0.0	(0%)
Total	1	38.3	19.1	7.1	(19%)	3.6	(19%)	0.0	(0%)	0.0	(0%)

Source: WEFO, 31/10/2017

Notes:

SO3.1: Marine Energy

SO3.2: Community Energy (SO3.1 EW)

SO3.3: Energy Efficiency in Housing (SO3.2 EW)

Approvals since the last PMC

23. No Approvals since the last PMC.

24. The innovative nature of the priority continues to pose challenges however pace is being maintained with Marine Energy Developers in West Wales and solid progress is being made. Whilst the technical nature of these marine operations does take time to resolve the demand for funds remains encouraging and further approvals amounting to over £11m of ERDF is expected before the end of 2017, which would raise commitment levels in West Wales to over 40%.

25. At the last WPMC we reported on the high level of interest in the Community Energy Call. Of the 43 proposals received 10 have progressed into the business planning phase. First approvals from this call are expected early 2018.

26. The East Wales programme is dependant on operations that will support small scale community renewable energy schemes and increasing the energy efficiency of existing Welsh housing stock particularly in areas of severe fuel poverty, so overall there is less scope for activity in the East Wales programme as marine energy production is not an eligible activity. The low level of interest from East Wales in the community energy call, and the smaller scale ARBED operation, means that the Priority in East Wales will not

use all its allocation. The reallocation of funds from Priority 3 is reflected in the potential Programme Modification paper.

Table 7: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO3.1 Increase the number of wave and tidal energy devices being tested in Welsh waters and off the Welsh coast, including multi-device array deployments, thereby establishing Wales as a centre for marine energy production	Additional capacity of renewable energy production (MW)	20	1	-	-	n/a	n/a	n/a	n/a
	Energy support site preparation schemes	2	2	-	-	n/a	n/a	n/a	n/a
	Number of renewable energy prototypes tested	8	3	-	-	n/a	n/a	n/a	n/a
	Community energy schemes	3	-	-	-	3	-	-	-
	Number of enterprises receiving non-financial support	150	-	-	-	70	-	-	-
	Number of enterprises supported to introduce new to the firm products	75	-	-	-	35	-	-	-
SO3.2 To increase the number of small scale renewable energy schemes established	Number of pilot projects completed	4	-	-	-	3	-	-	-
(SO3.1 East Wales)	Additional capacity of renewable energy production (MW)	n/a	n/a	n/a	n/a	8	-	-	-
	Energy support site preparation schemes	n/a	n/a	n/a	n/a	1	-	-	-
	Number of renewable energy prototypes tested	n/a	n/a	n/a	n/a	3	-	-	-
SO3.3 Increase the energy efficiency of the existing Welsh housing stock, particularly in areas of fuel poverty	Number of households with improved energy consumption classification	5,500	3,060	-	-	4,200	765	-	-
	Estimated decrease of GHG	10	-	-	-	5	-	-	-
(SO3.2 East Wales)									

Source: WEFO, 31/10/2017

27. At this stage it is too soon to make any firm judgements around indicator delivery but overall signs look positive in West Wales . The Programme Modification paper sets out the rationale for proposed changes to indicators in this Priority.

Priority 4: Connectivity and Urban Development

Table 8: EU Grant Commitment by Specific Objective

											£ Millions
Specific Objective	Operations	Allocation		Committed				Spend			
		Total	EU Grant	Total		EU Grant		Total		EU Grant	
West Wales and the Valleys ERDF											
SO4.1	3	138.5	90.9	97.4	(70%)	64.2	(71%)	0.0	(0%)	0.0	(0%)
SO4.2	2	224.1	147.1	27.2	(12%)	18.8	(13%)	21.2	(9%)	13.3	(9%)
SO4.3	2	72.5	47.6	30.3	(42%)	19.9	(42%)	13.6	(19%)	9.5	(20%)
SO4.4	13	217.5	142.8	304.1	(140%)	113.2	(79%)	0.0	(0%)	0.0	(0%)
Total	20	652.6	428.5	458.9	(70%)	216.1	(50%)	34.8	(5%)	22.8	(5%)
East Wales ERDF											
SO4.1	0	61.7	30.9	0.0	(0%)	0.0	(0%)	0.0	(0%)	0.0	(0%)
SO4.2	2	20.1	10.1	18.6	(92%)	9.3	(92%)	11.0	(55%)	5.7	(57%)
Total	2	81.8	40.9	18.6	(23%)	9.3	(23%)	11.0	(13%)	5.7	(14%)

Source: WEFO, 31/10/2017

Notes:

SO4.1: Roads

SO4.2: Public Transport (SO4.1 EW)

SO4.3: ICT Infrastructure (SO4.2 EW)

SO4.4: Strategic Sites

Table 8a: Approvals since the last PMC

£ Millions

Operations	West Wales and the Valleys		East Wales	
	Total	EU Grant	Total	EU Grant
The Kingsway (City and County of Swansea)	12.7	4.5		
The Lawns Rhymney (Caerphilly County Borough Council)	2.0	1.3		
Ty Du Strategic Development Site (Caerphilly County Borough Council)	3.0	1.3		

28. The priority is well placed with 50% committed in West Wales and 23% in East Wales with the vast majority of the remaining ERDF accounted for by operations in Business Planning. The latter include further road improvements to the A40, the Metro, Broadband and local authority regionally prioritised operations.

29. The 3 approvals (listed above) agreed since the last WPMC takes the total number of approved regional prioritised operations to eight. WEFO has a further 10 of these operations in Business Planning. It is expected that vast majority of these (some £20m ERDF) will be approved by the end of the year.

30. Projects under the Tourism Attractor Destination and Building for the Future operations also have to be regionally prioritised. Nine individual projects have now been agreed by WEFO (7 schemes under the Tourism operation and 2 under Building for the Future) and more will follow over the coming months.
31. WEFO will also be looking to approve other operations in Business Planning before the end of the year. Discussions continue with Welsh Government over the ongoing development of proposals for the A40 Improvements, some initial self standing Metro improvements in East Wales and further broadband proposals. The latter will look to address the 4% shortfall in the provision of Next Generation Access broadband services to all premises in Wales that cannot be accommodated under the existing operations. The nature and scale of this (potentially through a range of technological options) is currently being defined following the outcome of an Open Market Review for which the consultation generated some 300 responses.
32. The Welsh Government Transport Department continues to make steady progress in evaluating Metro Phase 2 options which will seek ERDF support. Discussions are continuing with Transport for Wales, the European Commission and JASPERS.

Table 9: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO4.1 To address issues of peripherality and improve private investment in local areas through improvements to the functioning of the Trans-European Transport Network	Total length of reconstructed or upgraded roads (including TEN-T)	15	7	-	-	n/a	n/a	n/a	n/a
	Footpath or cycleway created or reconstructed	10	4	-	-	n/a	n/a	n/a	n/a
SO4.2 Increasing urban and labour mobility to and from key urban and employment centres	Public transport services created or improved	2,500,000	-	-	-	420,000	-	-	-
	Intermodal facilities created or improved	25	6	5	5	5	-	-	-
	Total length of new railway line (including TEN-T)	15	-	-	-	n/a	n/a	n/a	n/a
	Total length of reconstructed or upgraded railway line (including TEN-T)	15	-	-	-	3	-	-	-
(SO4.1 East Wales)	Gross passenger kilometres on public transport	400,000,000	1,790,041	-	-	67,200,000	-	-	-
	Total length of reconstructed or upgraded roads (including TEN-T)	5	1	-	-	5	-	-	-
	Reduction in CO2 equivalent emissions	10,700	-	-	-	1,800	-	-	-
SO4.3 Contribute to Digital Agenda for Europe targets for 100% access to next generation broadband (30Mbps and above) and 50% access to 100Mbps	Additional premises with broadband access of at least 30 Mbps - Households	28,000	69,524	69,524	41,737	28,000	46,801	46,801	34,963
	Number of Enterprises supported to connect to 100Mbps or higher networks	250	250	-	-	25	25	-	-
	Additional population covered by ultrafast broadband (>100Mbps) broadband	n/a	91,053	91,053	58,101	n/a	43,494	43,494	41,737
SO4.4 To increase employment through prioritised local or regional infrastructure supporting an urban economic strategy	Jobs accommodated	1,770	3,044	70	-	n/a	n/a	n/a	n/a
	Land developed	50	103	-	-	n/a	n/a	n/a	n/a
	Premises created or refurbished	56,430	152,948	2,075	-	n/a	n/a	n/a	n/a
	SMEs accommodated	235	258	2	-	n/a	n/a	n/a	n/a

Source: WEFO, 31/10/2017

33. It is too early to make any firm judgements on output delivery; albeit from what has been approved and what is in business planning and pre-planning, output and target delivery appears to be on track. The Programme Modification paper sets out the rationale for proposed changes to indicators in this Priority.

Annex 1: ERDF Update

Priority 5: Technical Assistance

Table 10: EU Grant Commitment

£ Millions											
Operations	Allocation		Committed				Spend				
	Total	EU Grant	Total	EU Grant		Total	EU Grant				
West Wales and the Valleys ERDF											
Total	7	27.6	20.6	26.4	(96%)	19.5	(95%)	3.5	(13%)	2.3	(11%)
East Wales ERDF											
Total	6	7.0	3.5	7.0	(101%)	2.8	(81%)	0.7	(10%)	0.3	(9%)

Source: WEFO, 31/10/2017

Approvals since the last PMC

34. No approvals since previous PMC.

35. All TA operations are approved and in delivery. No particular issues have been raised and certainly the Regional Engagement Teams are operational and helping WEFO in certain fields of prioritisation.

Section 1: ERDF Programmes: Commitment

1. This section gives details of current financial progress under the ERDF Programmes, including an overview of the Programmes and information at Priority-level.
2. Table 1 shows the number and amount of EU Grant committed to approved Operations under the West Wales and the Valleys and East Wales ERDF Programmes.

Table 1: EU Grant Commitment by Programme and Priority: Approved Operations

£ Millions											
Priority	Operations	Allocation		Committed				Spend			
		Total¹	EU Grant¹	Total²		EU Grant²		Total³		EU Grant³	
West Wales and the Valleys ERDF											
1	20	386.5	255.8	358.7	(93%)	210.6	(82%)	34.0	(9%)	19.7	(8%)
2	7	284.8	177.8	275.8	(97%)	146.4	(82%)	96.8	(34%)	46.9	(26%)
3	8	210.3	146.0	79.2	(38%)	48.8	(33%)	13.2	(6%)	6.9	(5%)
4	20	652.6	428.5	458.9	(70%)	216.1	(50%)	34.8	(5%)	22.8	(5%)
5	7	27.6	20.6	26.4	(96%)	19.5	(95%)	3.5	(13%)	2.3	(11%)
Total	62	1,561.8	1,028.6	1,199.0	(77%)	641.3	(62%)	182.2	(12%)	98.7	(10%)
East Wales ERDF											
1	9	152.3	76.2	146.3	(96%)	64.2	(84%)	22.1	(14%)	7.1	(9%)
2	7	68.2	34.1	63.2	(93%)	31.6	(93%)	40.5	(59%)	17.1	(50%)
3	1	38.3	19.1	7.1	(19%)	3.6	(19%)	0.0	(0%)	0.0	(0%)
4	2	81.8	40.9	18.6	(23%)	9.3	(23%)	11.0	(13%)	5.7	(14%)
5	6	7.0	3.5	7.0	(101%)	2.8	(81%)	0.7	(10%)	0.3	(9%)
Total	25	347.5	173.8	242.2	(70%)	111.4	(64%)	74.2	(21%)	30.3	(17%)
Total ERDF	87	1,909.3	1,202.4	1,441.2	(75%)	752.7	(63%)	256.4	(13%)	128.9	(11%)

Source: WEFO, 31/10/2017

¹ Based on a conversion rate of £1:€1.17

² Percentages show committed as share of allocation

³ Percentages show spend as share of allocation

Overall Programme Update

3. The two ERDF Programmes continue to make good progress with 87 operations approved committing nearly £753 million grant and representing 63% of the programme values. Commitments continue at a steady pace with a healthy pipeline and continued interest in the programmes being maintained.
4. As delivery unfolds it is clear that forecasts underpinning the original design of some areas of the programmes have been proven not to hold true. As such a number of potential programme modifications are presented in a paper **WPMC(17)120** for the WPMC to consider. Primarily these changes for consideration present options for a limited amount of ERDF to be reallocated and changes to the indicators and targets within the agreed programmes to reflect updated evidence and to maintain a focus on results.

5. So far £99m (10% WWV) and £30m (17% EW) has been paid out to project sponsors. Currently there are payments awaiting authorisation by WEFO amounting to £11.5m and £2.4m for the West Wales and East Wales respectively; taking these into account the payments to sponsors rise to £110m (11%) in West Wales and the Valleys and £33m (19%) in East Wales.
6. These spend figures have translated into a drawdown of funds from the European Commission of 9.5% of the grant allocation in West Wales and the Valleys and 20.2% of the grant allocation in East Wales which is well above the EU average of 4%. All Programmes have met the 2017 N+3 targets and ERDF East Wales has achieved the 2018 target and strong progress is being made on the ERDF West Wales Programme.

Section 2: Progress by Priority Axis

Priority 1: Research and Innovation

Table 2: EU Grant Commitment by Specific Objective

											£ Millions
Specific Objective	Operations	Allocation		Committed				Spend			
		Total	EU Grant	Total		EU Grant		Total		EU Grant	
West Wales and the Valleys ERDF											
SO1.1	9	154.6	102.3	167.3	(108%)	101.3	(99%)	7.0	(5%)	3.9	(4%)
SO1.2	11	231.9	153.5	191.4	(83%)	109.3	(71%)	26.9	(12%)	15.8	(10%)
Total	20	386.5	255.8	358.7	(93%)	210.6	(82%)	34.0	(9%)	19.7	(8%)
East Wales ERDF											
SO1.1	4	57.5	28.7	51.2	(89%)	21.9	(76%)	18.2	(32%)	5.2	(18%)
SO1.2	5	94.8	47.4	95.1	(100%)	42.3	(89%)	3.9	(4%)	1.8	(4%)
Total	9	152.3	76.2	146.3	(96%)	64.2	(84%)	22.1	(14%)	7.1	(9%)

Source: WEFO, 31/10/2017

Notes:

SO1.1: Research capacity

SO1.2: Commercialisation

Table 2a: Approvals since the last PMC

£ Millions				
Operations	West Wales and the Valleys		East Wales	
	Total	EU Grant	Total	EU Grant
SMARTAQUA (Swansea University)	2.0	1.4		
ASTUTE East (Swansea University)			8.0	4.0

- Progress continues to be good. In addition to the approval of the Centre for Environmental Biotechnology announced at the last WPMC there has been the first approval, SMARTAQUA, from the operations submitted under the Specific Objective 1.2 call and Swansea University's ASTUTE East operation. Further call related commitments worth over £20m ERDF are planned in both programme areas before the end of 2017.
- It is recognised that further commitments are required. In order to do this in the most strategic manner WEFO is actively discussing the parameters of a further Priority 1 call with stakeholders, including two sessions run in partnership with the Regional Engagement Teams during November. The call is likely to focus around building research and innovation capacity in Wales that will lead to increased collaboration with industry and with organisations outside Wales.

9. WEFO continues to review existing operations to ensure that any potential de-commitments are identified at an early stage so that the funds can be recycled.

Table 3: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO1.1 To increase the success of Welsh research institutions in attracting competitive and private research funding	Amount of research funding secured	£165m	£137m	£20m	£16m	£65m	£55m	£25m	£23m
	Number of enterprises cooperating with supported research institutions	160	344	24	94	90	81	5	2
	Number of improved research infrastructure facilities	6	8	-	-	2	2	1	1
	Number of new researchers in supported entities	470	381	35	24	290	102	44	36
	Number of researchers working in improved research infrastructure facilities	200	384	-	7	110	66	58	38
SO1.2 To increase the successful translation of research and innovation processes into new and improved commercial products, processes and services, in particular through improved technology transfer from HEIs	Number of enterprises supported to introduce new to the market products	490	143	4	6	300	73	-	-
	Number of enterprises supported to introduce new to the firm products	725	336	42	31	440	113	-	-
	Number of enterprises cooperating with supported research institutions	1,212	337	110	102	715	94	1	-
	Number of enterprises receiving grants	520	330	60	-	320	357	37	-
	Number of enterprises receiving non-financial support	3,750	855	166	175	2,245	304	51	48
	Number of new enterprises supported	30	31	1	2	20	6	-	-
	Private investment matching public support in innovation or R&D projects	€42.8m	€40.5m	€7.9m	€0.4m	€26.2m	€22.4m	€3.0m	€0.0m
	Employment increase in supported enterprises	1,125	365	7	-	670	120	-	-
	Number of patents registered for products	519	154	11	11	315	56	2	3
	Number of pilot projects completed	n/a	48	3	-	n/a	-	-	-
	Enterprises adopting or improving:								
	- equality and diversity strategies and monitoring systems	956	20	-	-	515	-	-	-
	- sustainable development strategies and monitoring systems	956	20	-	-	515	-	-	-

Source: WEFO, 31/10/2017

10. Indicator performance continues to increase but we have already recognised that the medium to long term nature of research and innovation investments means that it will take time for their impact to show. The information in Table 3 above is generated only from approved operations and does not, therefore, take account of expected outputs from operations currently in development. As advised in previous reports, we are expecting most of the SO 1.2 Project Forecast figures for both WW&V and EW to significantly increase.
11. The Programme Modification paper sets out the rationale for proposed changes to indicators in this Priority.

Priority 2: SME Competitiveness

Table 4: EU Grant Commitment by Specific Objective

£ Millions											
Specific Objective	Operations	Allocation		Committed				Spend			
		Total	EU Grant	Total		EU Grant		Total		EU Grant	
West Wales and the Valleys ERDF											
SO2.1	1	93.9	58.6	149.6	(159%)	74.8	(128%)	61.2	(65%)	28.2	(48%)
SO2.2	1	23.5	14.7	31.0	(132%)	18.6	(127%)	10.2	(44%)	5.3	(36%)
SO2.3	1	14.9	9.3	8.6	(58%)	5.2	(56%)	2.4	(16%)	1.2	(13%)
SO2.4	3	125.4	78.3	45.2	(36%)	27.0	(35%)	15.6	(12%)	8.6	(11%)
SO2.5	1	27.2	17.0	41.4	(152%)	20.7	(122%)	7.4	(27%)	3.7	(22%)
Total	7	284.8	177.8	275.8	(97%)	146.4	(82%)	96.8	(34%)	46.9	(26%)
East Wales ERDF											
SO2.1	1	18.4	9.2	22.3	(121%)	9.9	(107%)	19.6	(106%)	7.9	(86%)
SO2.2	1	7.0	3.5	10.3	(147%)	6.2	(176%)	3.8	(54%)	1.9	(53%)
SO2.3	1	2.8	1.4	3.5	(127%)	1.7	(122%)	1.0	(37%)	0.4	(27%)
SO2.4	3	34.3	17.2	14.3	(42%)	8.3	(48%)	5.3	(16%)	2.7	(16%)
SO2.5	1	5.6	2.8	12.7	(227%)	5.5	(197%)	10.7	(192%)	4.3	(154%)
Total	7	68.2	34.1	63.2	(93%)	31.6	(93%)	40.5	(59%)	17.1	(50%)

Source: WEFO, 31/10/2017

Notes:

SO2.1: Access to Finance

SO2.2: Start-ups

SO2.3: ICT take up and exploitation

SO2.4: Employment Growth in SMEs

SO2.5: Risk Capital Finance

Approvals since the last PMC

12. No approvals since previous PMC.

13. The priority is settled with commitment levels across both programmes good with an integrated portfolio developed around operations making up the 'Business Wales Family' encompassing Welsh Government, Wales Co-Operative Centre, Development Bank for Wales and the WCVA.

14. Finance Wales has now fully evolved into the Development Bank for Wales and continues to perform well against profile. There remains potential to invest further in the Wales Business Fund to absorb some of the uncommitted funds within West Wales and the Valleys. The Programme modification for East Wales is required to put a further substantial investment into the Fund which is over-performing in the East Wales area.

15. Also WEFO is in discussion with Welsh Government and the Wales Co-operative to explore a potential niche gap in provision, namely a start-up provision for social enterprises who look likely to grow once established but

who require specific expert support over and above that provided by the mainstream provision and discussions with the WCVA are also on-going to consider an expansion to the Social Business Growth Fund, being repayable grant finance.

16. Given the settled nature of the priority in both programmes the focus is very much on delivery and WEFO continues to closely monitor progress, paying particular attention to delivery and the reporting of indicators, which has fed into a mid term review of operations funded from the priority, so informing the proposed Programmes' Modification.
17. WEFO hosted its annual SME Competitiveness event bringing together members of the Business Wales Family together with the Regional Engagement Teams in October 2017, to report on delivery and performance. The event provided an opportunity for the 'Family' to report on progress and for key messages for example around spend to be shared. It was also an opportunity to outline potential programme modification changes and to bring everyone up to date on the work being undertaken around future economic policy development. An event in 2018 will be organised.

Table 5: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO2.1 To increase the amount of finance available to SMEs for both business start-up and for business expansion	Investment in enterprises	£91.6m	£149.6m	£24.8m	£31.0m	£25.9m	£22.3m	£3.6m	£60.8m
	Number of enterprises receiving grants	160	-	-	-	45	-	-	-
	Number of enterprises receiving financial support other than grants	235	228	37	32	65	31	5	21
	Private investment matching public support to SMEs - Non-grants	€132.0m	€101.0m	€16.7m	€20.2m	€37.3m	€16.8m	€2.8m	€58.3m
	Employment increase in supported enterprises	2,300	1,954	-	-	650	265	-	-
	Enterprises adopting or improving:								
	- sustainable development strategies and monitoring systems	190	-	-	-	60	-	-	-
	- equality and diversity strategies and monitoring systems	190	-	-	-	25	-	-	-
SO2.2 To increase the number of SME start-ups through the provision of information, advice and guidance and support for entrepreneurship	Number of new enterprises supported	5,150	6,000	1,370	275	2,200	4,000	880	117
	Number of enterprises receiving non-financial support	275	-	-	-	120	-	-	-
	Individuals receiving support	14,350	6,000	-	-	6,200	4,000	-	-
	Individuals receiving support - Female individuals	7,300	-	-	-	3,100	-	-	-
	Individuals receiving support - BME individuals	375	-	-	-	445	-	-	-
	Individuals receiving support - Disabled individuals	3,650	-	-	-	1,350	-	-	-
	Employment increase in supported enterprises	8,800	10,250	2,510	555	3,800	6,750	1,652	130
	Enterprises adopting or improving:								
	- sustainable development strategies and monitoring systems	2,710	1,500	366	28	465	1,000	244	4
	- equality and diversity strategies and monitoring systems	2,710	1,500	366	35	1,165	1,000	244	6
SO2.3 To increase the take-up and exploitation of NGA networks and ICT infrastructure by SMEs	Number of enterprises supported to introduce new to the firm products	1,480	1,480	200	-	400	400	60	-
	Number of enterprises receiving non-financial support	3,450	3,823	945	634	900	1,094	283	356

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Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO2.4 To increase the growth of those SMEs with growth potential, in particular through accessing new markets (both domestic and international)	Employment increase in supported enterprises	6,450	7,215	1,724	1,986	2,550	4,606	1,117	771
	Number of enterprises receiving grants	40	30	6	-	10	15	3	-
	Number of enterprises receiving financial support other than grants	330	-	-	-	115	-	-	-
	Number of enterprises receiving non-financial support	13,650	12,400	3,184	999	5,400	8,170	2,078	511
	Private investment matching public support to SMEs - Grants	€4.3m	€0.4m	€0.1m	€0.0m	€2.2m	€0.4m	€0.1m	€0.0m
	Private investment matching public support to SMEs - Non-grants	€6.6m	€0.0m	€0.0m	€0.0m	€3.4m	€0.0m	€0.0m	€0.0m
	Increase in level of export	£167.1m	£130.0m	£29.5m	£23.7m	£65.9m	£85.0m	£16.8m	£10.1m
	Enterprises adopting or improving:								
	- sustainable development strategies and monitoring systems	8,700	5,000	1,120	109	1,300	3,300	811	43
	- equality and diversity strategies and monitoring systems	8,700	5,000	1,120	145	3,200	3,300	811	64
SO2.5 To address market failures in the availability of finance, in particular risk capital, for Welsh SMEs to undertake innovation and commercialise R&D	Investment in enterprises	£26.5m	£41.4m	£6.8m	£2.7m	£7.2m	£12.7m	£2.0m	£16.0m
	Number of enterprises receiving financial support other than grants	90	49	-	6	25	-	-	11
	Private investment matching public support to SMEs - Non-grants	€23.8m	€27.9m	€4.6m	€2.0m	€14.1m	€9.7m	€1.6m	€12.9m
	Employment increase in supported enterprises	490	265	-	-	145	70	-	-
	Number of enterprises supported to introduce new to the firm products	20	24	-	6	5	6	-	-
	Enterprises adopting or improving:								
	- sustainable development strategies and monitoring systems	45	-	-	-	5	-	-	-
	- equality and diversity strategies and monitoring systems	45	-	-	-	13	-	-	-

Source: WEFO, 31/10/2017

18. The ERDF programmes have experienced significant changes with respect to the approaches to targeting of funding so for example business support is expected to focus on businesses with genuine potential to grow (e.g. to 10 or more employees). This has taken a little while to embed resulting in performance, in certain aspects of business support activity, being slower than expected. However delivery and therefore performance has improved and with a fresh marketing campaign launched in September 2017 it is anticipated the progress in delivery being made will continue to drive improve overall performance. Performance measures are in place such as contractor's performance being monitored closely and beneficiaries have held workshops with the contractors to identify good practice, particularly around Cross Cutting Themes. The on-going

development of a digital system to capture outputs will reduce difficulties experienced in capturing and recording relevant evidence.

19. The Social Business Wales operation that also makes up the Business Wales 'family' offering is performing well alongside the Broadband Exploitation Operation.
20. The Wales Business Fund is performing well and is ahead of profile on most indicator outputs with the exception of 'Investment in Enterprises' and 'Private Investment matching public sector support in SMEs – non grant' which are running slightly behind in West Wales. The Development Bank of Wales is addressing this by recruiting additional fund management staff in West Wales, with a focus on targeting SMEs requiring equity investment to commercialise R&D.
21. The Social Business Growth Fund is performing well and indicators will begin to flow through in the next claims.
22. The Programme Modification paper sets out the rationale for proposed changes to indicators in this Priority.

Priority 3: Renewable Energy and Energy Efficiency

Table 6: EU Grant Commitment by Specific Objective

£ Millions											
Specific Objective	Operations	Allocation		Committed				Spend			
		Total	EU Grant	Total		EU Grant		Total		EU Grant	
West Wales and the Valleys ERDF											
SO3.1	6	123.6	85.8	41.4	(33%)	22.6	(26%)	13.2	(11%)	6.9	(8%)
SO3.2	1	28.8	20.0	9.4	(33%)	6.5	(33%)	0.0	(0%)	0.0	(0%)
SO3.3	1	57.9	40.2	28.4	(49%)	19.7	(49%)	0.0	(0%)	0.0	(0%)
Total	8	210.3	146.0	79.2	(38%)	48.8	(33%)	13.2	(6%)	6.9	(5%)
East Wales ERDF											
SO3.1	0	7.7	3.8	0.0	(0%)	0.0	(0%)	0.0	(0%)	0.0	(0%)
SO3.2	1	30.6	15.3	7.1	(23%)	3.6	(23%)	0.0	(0%)	0.0	(0%)
Total	1	38.3	19.1	7.1	(19%)	3.6	(19%)	0.0	(0%)	0.0	(0%)

Source: WEFO, 31/10/2017

Notes:

SO3.1: Marine Energy

SO3.2: Community Energy (SO3.1 EW)

SO3.3: Energy Efficiency in Housing (SO3.2 EW)

Approvals since the last PMC

23. No Approvals since the last PMC.

24. The innovative nature of the priority continues to pose challenges however pace is being maintained with Marine Energy Developers in West Wales and solid progress is being made. Whilst the technical nature of these marine operations does take time to resolve the demand for funds remains encouraging and further approvals amounting to over £11m of ERDF is expected before the end of 2017, which would raise commitment levels in West Wales to over 40%.

25. At the last WPMC we reported on the high level of interest in the Community Energy Call. Of the 43 proposals received 10 have progressed into the business planning phase. First approvals from this call are expected early 2018.

26. The East Wales programme is dependant on operations that will support small scale community renewable energy schemes and increasing the energy efficiency of existing Welsh housing stock particularly in areas of severe fuel poverty, so overall there is less scope for activity in the East Wales programme as marine energy production is not an eligible activity. The low level of interest from East Wales in the community energy call, and the smaller scale ARBED operation, means that the Priority in East Wales will not

use all its allocation. The reallocation of funds from Priority 3 is reflected in the potential Programme Modification paper.

Table 7: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO3.1 Increase the number of wave and tidal energy devices being tested in Welsh waters and off the Welsh coast, including multi-device array deployments, thereby establishing Wales as a centre for marine energy production	Additional capacity of renewable energy production (MW)	20	1	-	-	n/a	n/a	n/a	n/a
	Energy support site preparation schemes	2	2	-	-	n/a	n/a	n/a	n/a
	Number of renewable energy prototypes tested	8	3	-	-	n/a	n/a	n/a	n/a
	Community energy schemes	3	-	-	-	3	-	-	-
	Number of enterprises receiving non-financial support	150	-	-	-	70	-	-	-
	Number of enterprises supported to introduce new to the firm products	75	-	-	-	35	-	-	-
SO3.2 To increase the number of small scale renewable energy schemes established	Number of pilot projects completed	4	-	-	-	3	-	-	-
(SO3.1 East Wales)	Additional capacity of renewable energy production (MW)	n/a	n/a	n/a	n/a	8	-	-	-
	Energy support site preparation schemes	n/a	n/a	n/a	n/a	1	-	-	-
	Number of renewable energy prototypes tested	n/a	n/a	n/a	n/a	3	-	-	-
SO3.3 Increase the energy efficiency of the existing Welsh housing stock, particularly in areas of fuel poverty	Number of households with improved energy consumption classification	5,500	3,060	-	-	4,200	765	-	-
	Estimated decrease of GHG	10	-	-	-	5	-	-	-
(SO3.2 East Wales)									

Source: WEFO, 31/10/2017

27. At this stage it is too soon to make any firm judgements around indicator delivery but overall signs look positive in West Wales . The Programme Modification paper sets out the rationale for proposed changes to indicators in this Priority.

Priority 4: Connectivity and Urban Development

Table 8: EU Grant Commitment by Specific Objective

											£ Millions
Specific Objective	Operations	Allocation		Committed				Spend			
		Total	EU Grant	Total		EU Grant		Total		EU Grant	
West Wales and the Valleys ERDF											
SO4.1	3	138.5	90.9	97.4	(70%)	64.2	(71%)	0.0	(0%)	0.0	(0%)
SO4.2	2	224.1	147.1	27.2	(12%)	18.8	(13%)	21.2	(9%)	13.3	(9%)
SO4.3	2	72.5	47.6	30.3	(42%)	19.9	(42%)	13.6	(19%)	9.5	(20%)
SO4.4	13	217.5	142.8	304.1	(140%)	113.2	(79%)	0.0	(0%)	0.0	(0%)
Total	20	652.6	428.5	458.9	(70%)	216.1	(50%)	34.8	(5%)	22.8	(5%)
East Wales ERDF											
SO4.1	0	61.7	30.9	0.0	(0%)	0.0	(0%)	0.0	(0%)	0.0	(0%)
SO4.2	2	20.1	10.1	18.6	(92%)	9.3	(92%)	11.0	(55%)	5.7	(57%)
Total	2	81.8	40.9	18.6	(23%)	9.3	(23%)	11.0	(13%)	5.7	(14%)

Source: WEFO, 31/10/2017

Notes:

SO4.1: Roads

SO4.2: Public Transport (SO4.1 EW)

SO4.3: ICT Infrastructure (SO4.2 EW)

SO4.4: Strategic Sites

Table 8a: Approvals since the last PMC

£ Millions

Operations	West Wales and the Valleys		East Wales	
	Total	EU Grant	Total	EU Grant
The Kingsway (City and County of Swansea)	12.7	4.5		
The Lawns Rhymney (Caerphilly County Borough Council)	2.0	1.3		
Ty Du Strategic Development Site (Caerphilly County Borough Council)	3.0	1.3		

28. The priority is well placed with 50% committed in West Wales and 23% in East Wales with the vast majority of the remaining ERDF accounted for by operations in Business Planning. The latter include further road improvements to the A40, the Metro, Broadband and local authority regionally prioritised operations.

29. The 3 approvals (listed above) agreed since the last WPMC takes the total number of approved regional prioritised operations to eight. WEFO has a further 10 of these operations in Business Planning. It is expected that vast majority of these (some £20m ERDF) will be approved by the end of the year.

30. Projects under the Tourism Attractor Destination and Building for the Future operations also have to be regionally prioritised. Nine individual projects have now been agreed by WEFO (7 schemes under the Tourism operation and 2 under Building for the Future) and more will follow over the coming months.
31. WEFO will also be looking to approve other operations in Business Planning before the end of the year. Discussions continue with Welsh Government over the ongoing development of proposals for the A40 Improvements, some initial self standing Metro improvements in East Wales and further broadband proposals. The latter will look to address the 4% shortfall in the provision of Next Generation Access broadband services to all premises in Wales that cannot be accommodated under the existing operations. The nature and scale of this (potentially through a range of technological options) is currently being defined following the outcome of an Open Market Review for which the consultation generated some 300 responses.
32. The Welsh Government Transport Department continues to make steady progress in evaluating Metro Phase 2 options which will seek ERDF support. Discussions are continuing with Transport for Wales, the European Commission and JASPERS.

Table 9: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO4.1 To address issues of peripherality and improve private investment in local areas through improvements to the functioning of the Trans-European Transport Network	Total length of reconstructed or upgraded roads (including TEN-T)	15	7	-	-	n/a	n/a	n/a	n/a
	Footpath or cycleway created or reconstructed	10	4	-	-	n/a	n/a	n/a	n/a
	Public transport services created or improved	2,500,000	-	-	-	420,000	-	-	-
	Intermodal facilities created or improved	25	6	5	5	5	-	-	-
	Total length of new railway line (including TEN-T)	15	-	-	-	n/a	n/a	n/a	n/a
	Total length of reconstructed or upgraded railway line (including TEN-T)	15	-	-	-	3	-	-	-
(SO4.1 East Wales)	Gross passenger kilometres on public transport	400,000,000	1,790,041	-	-	67,200,000	-	-	-
	Total length of reconstructed or upgraded roads (including TEN-T)	5	1	-	-	5	-	-	-
	Reduction in CO2 equivalent emissions	10,700	-	-	-	1,800	-	-	-
SO4.3 Contribute to Digital Agenda for Europe targets for 100% access to next generation broadband (30Mbps and above) and 50% access to 100Mbps	Additional premises with broadband access of at least 30 Mbps - Households	28,000	69,524	69,524	41,737	28,000	46,801	46,801	34,963
	Number of Enterprises supported to connect to 100Mbps or higher networks	250	250	-	-	25	25	-	-
	Additional population covered by ultrafast broadband (>100Mbps) broadband	n/a	91,053	91,053	58,101	n/a	43,494	43,494	41,737
(SO4.2 East Wales)	Jobs accommodated	1,770	3,044	70	-	n/a	n/a	n/a	n/a
SO4.4 To increase employment through prioritised local or regional infrastructure supporting an urban economic strategy	Land developed	50	103	-	-	n/a	n/a	n/a	n/a
	Premises created or refurbished	56,430	152,948	2,075	-	n/a	n/a	n/a	n/a
	SMEs accommodated	235	258	2	-	n/a	n/a	n/a	n/a

Source: WEFO, 31/10/2017

33. It is too early to make any firm judgements on output delivery; albeit from what has been approved and what is in business planning and pre-planning, output and target delivery appears to be on track. The Programme Modification paper sets out the rationale for proposed changes to indicators in this Priority.

Annex 1: ERDF Update

Priority 5: Technical Assistance

Table 10: EU Grant Commitment

£ Millions											
Operations	Allocation		Committed				Spend				
	Total	EU Grant	Total	EU Grant		Total	EU Grant				
West Wales and the Valleys ERDF											
Total	7	27.6	20.6	26.4	(96%)	19.5	(95%)	3.5	(13%)	2.3	(11%)
East Wales ERDF											
Total	6	7.0	3.5	7.0	(101%)	2.8	(81%)	0.7	(10%)	0.3	(9%)

Source: WEFO, 31/10/2017

Approvals since the last PMC

34. No approvals since previous PMC.

35. All TA operations are approved and in delivery. No particular issues have been raised and certainly the Regional Engagement Teams are operational and helping WEFO in certain fields of prioritisation.

Section 1: ESF Programmes: Commitment

1. This section gives details of current financial progress under the ESF Programmes, including an overview of the Programmes and information at Priority-level.
2. Table 1 shows the number and amount of EU Grant committed to approved Operations under the West Wales and the Valleys and East Wales ESF Programmes.

Table 1: EU Grant Commitment by Programme and Priority: Approved Operations

											£ Millions
Priority	Operations	Allocation		Committed				Spend			
		Total ¹	EU Grant ¹	Total ²		EU Grant ²		Total ³		EU Grant ³	
West Wales and the Valleys ESF											
1	10	212.1	167.5	147.0	(69%)	106.8	(64%)	19.0	(9%)	10.4	(6%)
2	16	410.4	295.4	421.6	(103%)	257.2	(87%)	73.9	(18%)	59.5	(20%)
3	14	281.3	209.2	229.1	(81%)	150.8	(72%)	36.6	(13%)	28.4	(14%)
4	6	18.4	13.7	24.6	(134%)	13.8	(101%)	4.4	(24%)	2.6	(19%)
Total	46	922.2	685.8	822.3	(89%)	528.6	(77%)	133.9	(15%)	100.9	(15%)
East Wales ESF											
1	6	74.8	37.4	29.1	(39%)	14.5	(39%)	2.5	(3%)	1.0	(3%)
2	10	168.6	81.6	191.4	(114%)	46.9	(57%)	32.7	(19%)	7.0	(9%)
3	12	102.5	51.3	122.6	(120%)	42.0	(82%)	12.4	(12%)	8.7	(17%)
4	5	7.0	3.5	5.6	(80%)	2.7	(77%)	1.1	(15%)	0.5	(14%)
Total	33	352.9	173.8	348.6	(99%)	106.1	(61%)	48.7	(14%)	17.1	(10%)
Total ESF	79	1,275.1	859.5	1,171.0	(92%)	634.7	(74%)	182.5	(14%)	118.0	(14%)

Source: WEFO, 31/10/2017

¹ Based on a conversion rate of £1:€1.17

² Percentages show committed as share of allocation

³ Percentages show spend as share of allocation

Overall Programme Update

3. Commitment is at 74% overall across both programmes (at the revised planning rate of €1.17) with 79 operations approved giving an overall commitment of £635 million, an additional £5m ESF since the last PMC. The additional commitment reflects the extension of 2 approved operations. WEFO intends to commit the remaining £224m of ESF through a mixture of new and pipeline projects, extending projects to deliver more over longer timescales (where projects are performing well against their targets) and targeted calls for areas of the programmes where interest has not developed as expected.
4. So far £101m (15% WWV) and £17m (10% EW) has been paid out to project beneficiaries. Currently there are payments awaiting authorisation by WEFO amounting to £22m and £7m for the West Wales and the Valleys and East

Wales programmes respectively; taking these into account the payments to beneficiaries rise to £123m (18%) in West Wales and the Valleys and £25m (14%) in East Wales.

5. These spend figures have translated into a drawdown of funds from the European Commission of 10% of the grant allocation in West Wales and the Valleys and 11% of the grant allocation in East Wales which is well above the EU average of 4%.
6. All Programmes have met the 2017 N+3 targets and are on track to meet the 2018 targets. Some of the Performance Framework milestones for 2018 have already been achieved in one or both Programme areas, including Employed participants with qualifications up to and including a lower secondary education (both Male and Female) and NEET participants (16-24 years of age).
7. Most Priority and Specific Objective areas now have a balanced portfolio of operations designed to deliver across the range of target participant client groups and target outcomes. New operations currently under development and extensions of some approved operations have the potential to commit a further £54m and offer more tailored niche activity to fill gaps in either the range of provision on offer or targeted client group. This includes some new proposals which have resulted from the recent call WEFO ran in the Poverty priority (see Section 2 for more details).
8. In addition to managing future commitments, the main focus for ESF is now on delivery. The programmes have already engaged with over 104,000 participants to date (24% of the overall target), supported more than 5,000 people into employment and over 37,000 to gain qualifications.

Section 2: Progress by Priority

Priority 1: Tackling Poverty through Sustainable Employment

Table 2: EU Grant Commitment by Specific Objective

											£ Millions
Specific Objective	Operations	Allocation		Committed				Spend			
		Total	EU Grant	Total		EU Grant		Total		EU Grant	
West Wales and the Valleys ESF											
SO1.1	1	53.0	39.4	45.7	(86%)	33.9	(86%)	4.8	(9%)	0.4	(1%)
SO1.2	8	125.1	102.8	96.5	(77%)	69.6	(68%)	12.9	(10%)	9.2	(9%)
SO1.3	1	33.9	25.2	4.8	(14%)	3.3	(13%)	1.2	(4%)	0.8	(3%)
Total	10	212.1	167.5	147.0	(69%)	106.8	(64%)	19.0	(9%)	10.4	(6%)
East Wales ESF											
SO1.1	6	74.8	37.4	29.1	(39%)	14.5	(39%)	2.5	(3%)	1.0	(3%)
Total	6	74.8	37.4	29.1	(39%)	14.5	(39%)	2.5	(3%)	1.0	(3%)

Source: WEFO, 31/10/2017

Notes:

SO1.1: Helping people into work

SO1.2: Inclusion & engagement in labour market (SO1.1 EW)

SO1.3: Helping people stay in work

Approvals since the last PMC

9. No approvals since previous PMC.

10. No new operations have been approved since the last PMC in this Priority. Commitment levels are currently 64% in WWV and 39% in EW with total EU funds of £121.4m committed and £83.5m remaining to be allocated. The potential for further commitment features extensions of existing operations, subject to performance, and the recent calls held under each programme.

11. The calls offered the opportunity to commit a further £20m ESF in each programme area. Proposals received to date account for around £14m under SO3 in WWV and £2m in EW. This level of response in East Wales continues to demonstrate the challenging environment facing the Poverty priority in that programme area and results from a combination of factors including, the lower intervention rate of 50% available through the EW programme together with the availability of match funding to primarily public sector beneficiaries. To address these concerns, PMC members will consider a proposal to amend the Operational Programmes at the December meeting.

12. All approved operations address specific barriers individuals face in finding and staying in employment. They all build on the successes of the previous round of ESF funding by continuing to focus on employment as the main objective for an individual and concentrating to an even greater extent on

those individuals who are furthest away from the labour market, and face the most complex barriers to employment.

Table 3: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO1.1 To increase the employability of those closest to the labour market at most risk of poverty	Short term unemployed with no / low skills or a work limiting health condition or disability	5,999	4,799	-	-	n/a	n/a	n/a	n/a
	Individuals impacted by redundancy	12,001	15,269	3,319	1,926	n/a	n/a	n/a	n/a
	Short term unemployed participants with low skills or a work limiting health condition or disability in employment upon leaving	33%	57%	0%	0%	n/a	n/a	n/a	n/a
	Short term unemployed participants with low skills or a work limiting health condition or disability gaining a qualification upon leaving	50%	86%	0%	0%	n/a	n/a	n/a	n/a
	Individuals impacted by redundancy in employment upon leaving	55%	54%	41%	24%	n/a	n/a	n/a	n/a
	Individuals impacted by redundancy gaining a qualification upon leaving	70%	78%	65%	74%	n/a	n/a	n/a	n/a

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Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO1.2 To increase the employability of Economically Inactive and Long Term Unemployed people aged 25 and over, who have complex barriers to employment (SO1.1 East Wales)	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment	36,000	42,655	12,011	5,943	12,700	14,611	2,326	1,230
	Long-term unemployed (aged 25 and over) who have complex barriers to employment	10,800	18,615	4,067	2,897	3,800	5,863	980	676
	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment entering employment including self employment upon leaving	20%	19%	14%	16%	20%	18%	16%	18%
	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment engaged in job search upon leaving	25%	12%	11%	4%	25%	14%	15%	5%
	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment gaining a qualification or work relevant certification upon leaving	50%	31%	28%	14%	50%	24%	18%	6%
	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment increasing employability through completing work experience placement or volunteering opportunity	54%	25%	17%	11%	54%	23%	20%	2%
	Long-term unemployed (aged 25 and over) who have complex barriers to employment entering employment including self employment upon leaving	25%	19%	16%	10%	25%	18%	18%	11%
	Long-term unemployed (aged 25 and over) who have complex barriers to employment gaining a qualification or work relevant certification upon leaving	50%	27%	32%	13%	50%	20%	16%	5%
	Long-term unemployed (aged 25 and over) who have complex barriers to employment increasing employability through completing work experience placement or volunteering opportunity	54%	23%	24%	13%	53%	19%	16%	3%

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Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO1.3 To reduce under-employment or absence rates for employed individuals with work limiting health conditions and / or other barriers to sustainable engagement with the labour market	Participants Employed including self-employed with work-limiting health condition or disability	4,000	4,232	2,051	798	n/a	n/a	n/a	n/a
	Underemployed participants with barriers to full employment	4,000	-	-	-	n/a	n/a	n/a	n/a
	Number of micro small and medium-sized enterprises supported	2,000	-	-	-	n/a	n/a	n/a	n/a
	Workplace health programmes	300	130	59	-	n/a	n/a	n/a	n/a
	Supported enterprises having adopted or improved equality and diversity strategies and monitoring systems	50%	0%	0%	0%	n/a	n/a	n/a	n/a
	Employed including self employed participants with work limiting health condition or disability returning to work after a period of absence	50%	19%	18%	100%	n/a	n/a	n/a	n/a
	Employed including self Employed Participants with Work limiting health condition or disability with an improved labour market situation upon leaving	50%	31%	31%	63%	n/a	n/a	n/a	n/a
	Underemployed participants with an improved labour market situation upon leaving such as increased hours permanent contract	40%	0%	0%	0%	n/a	n/a	n/a	n/a

Source: WEFO, 31/10/2017

13. Overall performance for this Priority remains encouraging with over 13,000 participants engaged to date. Forecast numbers of participants generally exceed programme targets in WWV. However, progress against forecast targets shows that early planning assumptions by operations have not delivered as expected. Indications are that delivery is being affected by the strength of the labour market and the challenge of engaging with a harder to help client group. WEFO is continuing to closely monitor individual operations.
14. *Redundancy and Short term unemployment (SO 1.1 WWV)*: The take up of redundancy support under the ReACT operation has not been as high as originally expected as the number of redundancies in the labour market are lower than anticipated. It is therefore largely positive that the take-up is lower than expected but something that WEFO will need to monitor in terms of overall spend levels in this specific objective. The ReAct operation has also been changed to allow it to also support short term unemployed from March 2018.
15. *Long term Unemployed and Economically Inactive (SO1.2 WWV and SO1 EW)*: Forecasts are ahead of the programmes targets given the level of commitment although the low responses to the call in EW continue to present challenges to the delivery of this area of the programme. The seemingly low participant numbers engaged to date against profile reflect the longer than anticipated timespans to get systems up and running and delivery underway, together with the more challenging nature of engaging the harder to reach target groups which underpin the programme objectives. This is further reflected in the result indicators in that more intensive and longer term interventions are needed with the harder to reach cohort and so the anticipated results are being realised later than planned. Delivery is showing some improvement in the results achieved, particularly in the Economically Inactive cohort entering employment.
16. *Underemployed and employed with Work limiting Health Conditions (SO3 WWV)*: Again, delivery is lower than expected at this stage of implementation because of longer than anticipated timescales in getting delivery in place. It is anticipated the recent call for this for this Specific Objective in the WWV programme and extensions to existing operations will fully commit available resources and contribute to a stronger performance in 2018.

Priority 2: Skills for Growth

Table 4: EU Grant Commitment by Specific Objective

£ Millions

Specific Objective	Operations	Allocation		Committed				Spend			
		Total	EU Grant	Total		EU Grant		Total		EU Grant	
West Wales and the Valleys ESF											
SO2.1	5	191.5	142.4	152.3	(80%)	88.5	(62%)	23.8	(12%)	20.1	(14%)
SO2.2	8	132.7	88.9	205.2	(155%)	123.5	(139%)	35.2	(27%)	28.5	(32%)
SO2.3	2	61.6	45.8	56.8	(92%)	39.7	(87%)	10.1	(16%)	6.9	(15%)
SO2.4	1	24.6	18.3	7.3	(30%)	5.6	(30%)	4.9	(20%)	4.0	(22%)
Total	16	410.4	295.4	421.6	(103%)	257.2	(87%)	73.9	(18%)	59.5	(20%)
East Wales ESF											
SO2.1	3	106.8	53.4	75.2	(70%)	19.0	(36%)	8.4	(8%)	0.8	(2%)
SO2.2	6	53.4	24.0	113.1	(212%)	25.4	(106%)	22.6	(42%)	4.5	(19%)
SO2.3	1	8.4	4.2	3.0	(36%)	2.4	(58%)	1.7	(21%)	1.6	(38%)
Total	10	168.6	81.6	191.4	(114%)	46.9	(57%)	32.7	(19%)	7.0	(9%)

Source: WEFO, 31/10/2017

Notes:

SO2.1: Basic Skills

SO2.2: Adaptability and Progression

SO2.3: Research & Innovation

SO2.4: Gender Equality (SO2.3 EW)

Approvals since the last PMC

17.No approvals since previous PMC.

18.No new operations have been approved since the last PMC in this Priority. A further £4.3m has been committed in the WWV programme to the existing **Materials and Manufacturing Academy** operation, led by Swansea University, to support additional graduates to undertake industry focused Engineering Doctorate and Research Masters in the field of advanced materials and manufacturing. This takes the commitment levels for the Priority, which are already quite high, to 87% in WWV and 57% in EW, with total EU funds of £304.1m already committed and only £72.9m remaining to be allocated. A number of proposals remain in development and there is potential to extend some existing approved operations to run for longer periods, subject to performance. The portfolio of operations to date build on the achievements of the 2007-13 programme, by focusing on the delivery of the essential, technical and specialist skills required to build an agile and responsive workforce equipped to fully capitalise upon the opportunities and growth potential offered by a modern, knowledge-based economy. Whilst basic and essential skills constitute a common, and necessary, foundation across the entire workforce, the intelligence on key growth opportunities and emerging and priority sectors identified in the Economic Prioritisation

Framework (EPF), together with the Regional Learning Partnerships' emerging Employment and Skills Plans and Labour Market Intelligence, constitute key tools to guide the targeting and focusing of skills interventions, particularly those delivering skills at an intermediate and higher level.

19. Beneficiaries who are looking to deliver training to the employed workforce are responding positively to the new policy direction of co-investment by employers which was set out in the Welsh Government's Skills Implementation Plan and encouraged by the Operational Programmes. Private match-funding from employer cash contributions has been built into these operations as they are developed and approved.
20. In the West Wales programme 20% of the total grant value has now been paid out to beneficiaries.

Table 5: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO2.1 To increase the skills levels, including work relevant skills, of those in the workforce with no or low skills	Employed including self-employed participants with no formal qualifications - Male	14,029	5,280	1,947	563	7,799	1,950	688	86
	Employed including self-employed participants with no formal qualifications - Female	12,771	5,599	1,805	429	7,101	2,025	838	97
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Male	23,870	21,557	6,735	6,795	13,296	8,938	2,446	3,276
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Female	21,730	26,089	6,726	6,812	12,104	10,625	2,610	3,646
	Employed including self employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - Male	72%	79%	45%	44%	72%	79%	31%	0%
	Employed including self employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - Female	72%	79%	50%	46%	72%	79%	29%	0%
	Employed including self-employed participants with up to and including a lower secondary education gaining an essential skills or technical or job specific qualification at lower secondary level upon leaving - Male	72%	79%	45%	58%	72%	80%	41%	54%
	Employed including self-employed participants with up to and including a lower secondary education gaining an essential skills or technical or job specific qualification at lower secondary level upon leaving - Female	72%	79%	51%	55%	72%	80%	40%	50%

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Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO2.2 To increase the number of people in the workforce with technical and job specific skills at an intermediate and higher level.	Employed including self-employed participants with lower secondary education (CQFW 2) - Male	16,070	22,233	5,461	4,583	6,438	9,873	2,346	2,407
	Employed including self-employed participants with lower secondary education (CQFW 2) - Female	14,630	27,469	5,527	4,733	5,862	12,240	2,475	2,517
	Employed including self employed participants with upper secondary (CQFW 3) education or above - Male	10,731	11,852	4,414	5,246	4,292	5,353	1,847	2,956
	Employed including self employed participants with upper secondary (CQFW 3) education or above - Female	9,769	12,941	6,620	9,633	3,908	5,471	3,415	5,689
	Employed including self-employed participants with lower secondary education (CQFW 2) gaining a technical or job specific vocational qualification upon leaving at upper secondary (CQFW 3) level or above - Male	60%	80%	38%	50%	60%	80%	35%	55%
	Employed including self-employed participants with lower secondary education (CQFW 2) gaining a technical or job specific vocational qualification upon leaving at upper secondary (CQFW 3) level or above - Female	60%	80%	42%	50%	60%	81%	50%	52%
	Employed including self employed participants with upper secondary (CQFW 3) education or above gaining a technical or job specific vocational qualification at or above upper secondary (CQFW 3) level upon leaving - Male	60%	79%	40%	35%	60%	79%	49%	37%
	Employed including self employed participants with upper secondary (CQFW 3) education or above gaining a technical or job specific vocational qualification at or above upper secondary (CQFW 3) level upon leaving - Female	60%	79%	30%	42%	60%	80%	32%	43%

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Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO2.3 To increase the number of people with graduate degrees or equivalent undertaking research and innovation activities with enterprise	Participants with graduate degree or equivalent - Male	780	486	231	183	n/a	n/a	n/a	n/a
	Participants with graduate degree or equivalent - Female	720	386	165	133	n/a	n/a	n/a	n/a
	Number of enterprises collaborating with learning providers	750	566	263	208	n/a	n/a	n/a	n/a
	Participants with a graduate degree or equivalent gaining a qualification upon leaving at Masters (CQFW 7) or Doctoral (CQFW 8) level - Male	63%	82%	1%	4%	n/a	n/a	n/a	n/a
	Participants with a graduate degree or equivalent gaining a qualification upon leaving at Masters (CQFW 7) or Doctoral (CQFW 8) level - Female	63%	79%	0%	0%	n/a	n/a	n/a	n/a
	Participants with graduate degree or equivalent in employment upon leaving - male	52%	0%	0%	0%	n/a	n/a	n/a	n/a
	Participants with graduate degree or equivalent in employment upon leaving - female	52%	0%	0%	0%	n/a	n/a	n/a	n/a
SO2.4 To improve the position of women in the workforce (SO2.3 East Wales)	Number of supported micro small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)	800	347	245	215	300	153	108	89
	Employed including self-employed	4,400	1,407	841	774	1,500	800	594	562
	Participants gaining a qualification upon leaving	75%	80%	48%	46%	73%	80%	44%	46%
	Supported Enterprises having adopted or improved equality and diversity strategies and monitoring systems	50%	80%	67%	69%	50%	80%	60%	58%
	Participants with an improved labour market situation upon leaving	40%	40%	9%	7%	40%	40%	16%	10%

Source: WEFO, 31/10/2017

21. The position on performance for this priority remains very encouraging. Where there are gaps in the outputs committed to beneficiaries there is remaining funding available to address them. To date, over 60,000 participants have already been enrolled by approved operations in this Priority. Achievement against most indicators is running close to or ahead of profile, and this encouraging picture is now reflected in qualifications data as well as participant numbers, as participants are starting to complete courses and gain their awards.
22. *Increasing skills for those with low or no skills (SO2.1):* Forecasts are high against programme targets, given the relatively low financial commitment to date (average 54%), and achievements to date are encouraging. The exception is participants with no formal qualifications; this is because it is proving difficult to define what is meant by 'no formal qualifications'. Some operations are reporting that even very low skilled individuals are often presenting with at least some level of prior qualification (e.g. an entry level award) which is leading to them reporting fewer participants than expected as holding 'no qualifications'.
23. *Intermediate and higher level skills (SO2.2):* Across Wales all targets and outcomes are predicted to be exceeded. Encouragingly, the 2018 performance framework targets within this SO (which relate to participants with lower secondary education) have now been met. Numbers of participants with upper secondary education, particularly females, are also very strong.
24. *Research and Innovation activity (SO2.3 in WW&V only):* Funding has now been committed which will support just over 800 participants in this SO (these are industrial doctorates and masters studentships). Whilst we hope to increase the number of studentships further, the 1,500 participants originally targeted for this SO now appears too high given that activity in this area is limited to the 'grand challenge' areas of Science for Wales and that outputs (e.g. doctorates) take a number of years to achieve. Encouragingly, the lower level of participants is somewhat mitigated by a significantly higher proportion of those participants expected to achieve key outcomes.
25. *Improving the position of women in the workforce (SO2.4 WWV / SO2.3 EW):* Targets for both programmes are broadly in line with expectations.

Priority 3: Youth Employment and Attainment

Table 6: EU Grant Commitment by Specific Objective

£ Millions

£ millions											
Specific Objective	Operations	Allocation		Committed				Spend			
		Total	EU Grant	Total		EU Grant		Total		EU Grant	
West Wales and the Valleys ESF											
SO3.1	6	154.7	115.0	154.9	(100%)	97.9	(85%)	18.5	(12%)	15.8	(14%)
SO3.2	6	98.1	73.0	65.7	(67%)	47.1	(64%)	16.2	(17%)	11.6	(16%)
SO3.3	1	14.4	10.7	2.1	(15%)	1.7	(15%)	1.1	(7%)	1.0	(9%)
SO3.4	1	14.1	10.5	6.4	(45%)	4.2	(40%)	0.8	(6%)	0.0	(0%)
Total	14	281.3	209.2	229.1	(81%)	150.8	(72%)	36.6	(13%)	28.4	(14%)
East Wales ESF											
SO3.1	8	76.9	38.4	104.3	(136%)	33.3	(87%)	7.7	(10%)	6.5	(17%)
SO3.2	4	25.6	12.8	18.3	(71%)	8.8	(68%)	4.7	(18%)	2.2	(17%)
Total	12	102.5	51.3	122.6	(120%)	42.0	(82%)	12.4	(12%)	8.7	(17%)

Source: WEFO, 31/10/2017

Notes:

SO3.1: Youth Unemployment

SO3.2: Youth attainment & Engagement

SO3.3: STEM

SO3.4: Early years

Approvals since the last PMC

26.No approvals since previous PMC.

27.No new operations have been approved since the last PMC in this Priority but £1m additional ESF has been awarded to the **Active Inclusion Youth** fund managed by the WCVA. The additional funding enables WVCA to increase the scope of the fund to support larger, national projects in response to feedback received from national organisations looking to deliver larger-scale projects. This takes the commitment level for the Priority in EW to 82% while in WWV the commitment level remains at 72%. EU funds already committed total £192.8m with only £67.6m left to be allocated. With a number of operations in development there is further opportunity to build on the positive and strong commitment levels within this priority.

28.The portfolio of operations focuses on addressing youth unemployment and attainment, for young people either classed as NEET or likely to become NEET.

Table 7: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO3.1 To reduce the number of 16-24 year olds who are Not in Employment Education or Training (NEET)	NEET Participants (16 - 24 years of age)	42,700	48,483	14,888	13,170	21,200	28,266	6,965	4,883
	NEET Participants (16 - 24 years of age) gaining qualifications upon leaving - with primary or lower secondary education	20%	40%	11%	30%	20%	42%	7%	33%
	NEET Participants (16 - 24 years of age) in education/training upon leaving	17%	17%	15%	22%	17%	17%	15%	32%
	NEET Participants (16 - 24 years of age) entering employment upon leaving	28%	30%	23%	21%	28%	32%	26%	20%
SO3.2 To reduce the number of those at risk of becoming NEET, amongst 11-24 year olds	Participants at Risk of becoming NEET (11-24)	49,700	16,064	9,302	4,905	13,000	6,836	3,126	1,734
	Participants at risk of becoming NEET (11-24 years of age) gaining qualifications upon leaving - with primary (CQFW 1) or lower secondary education (CQFW 2)	7%	14%	6%	3%	27%	17%	10%	2%
	Participants at risk of becoming NEET(11-24) into education/training upon leaving	19%	8%	6%	4%	18%	11%	9%	2%
	Participants at Risk of becoming NEET (11-24) at reduced risk of becoming NEET upon leaving	-	58%	36%	15%	-	58%	38%	19%

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Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO3.3 To increase the take up of and attainment levels in STEM subjects amongst 11-19 year olds	Young People 11 -19 years of age - Male	8,400	2,160	1,390	1,893	n/a	n/a	n/a	n/a
	Young People 11 -19 years of age - Female	15,000	2,830	1,870	2,570	n/a	n/a	n/a	n/a
	Young People 11-19 years of age completing training in maths Science Engineering and Technology - Male	55%	63%	63%	49%	n/a	n/a	n/a	n/a
	Young People 11-19 years of age completing training in maths Science Engineering and Technology - Female	55%	34%	34%	24%	n/a	n/a	n/a	n/a
	11-19 years of age participants who continue to study a Maths Science Engineering and Technology subject post 16 - Male	45%	16%	8%	0%	n/a	n/a	n/a	n/a
	11-19 years of age participants who continue to study a Maths Science Engineering and Technology subject post 16 - Female	45%	4%	2%	0%	n/a	n/a	n/a	n/a
SO3.4 To increase the skills of the Early Years and Childcare workforce	Employed including self-employed Participants from early years and childcare sector - male	300	73	73	15	n/a	n/a	n/a	n/a
	Employed including self-employed Participants from early years and childcare sector - female	2,700	1,370	1,370	441	n/a	n/a	n/a	n/a
	Employed including self employed Participants from early years and childcare sector gaining qualifications upon leaving - Male	77%	77%	15%	0%	n/a	n/a	n/a	n/a
	Employed including self employed Participants from early years and childcare sector gaining qualifications upon leaving - Female	77%	76%	15%	11%	n/a	n/a	n/a	n/a

Source: WEFO, 31/10/2017

29. Overall, the performance on the priority continues to remain very positive with over 29,000 participants engaged to date.
30. *Reducing NEET (SO3.1)*: Overall performance to date is positive and forecasts indicate the priority will achieve its aim of 28% into employment. Achieving these results is taking a longer than initially planned, largely due to the strength of the labour market and impact of working with a harder to reach cohort group. There has been a significant increase in the number of participants gaining qualifications, largely due to a high number of participants successfully exiting the Traineeship operations with qualifications.
31. *At risk of NEET (SO3.2)*: Delivery of activity is progressing well and project performance information suggests operations are successfully targeting those most at risk of becoming NEET with multiple and complex barriers to engaging with education. Engagement and delivery of interventions to this cohort is however taking longer than anticipated. WEFO is working with the operation leads to explore the feasibility of increasing the intensity and effectiveness of support for participants. The overall targets in this area will be considered as part of the proposed programme modifications.
32. *Take up of STEM subjects (SO3.3. WWV only)*: Progress against outputs continues to improve and as project activity intensifies achievement against some of the results is now showing. Low reporting against the continuing study of STEM subjects post 16 is largely down to timing of academic year. More information will be available from schools and colleges in September.
33. *Early Years Childcare Workforce (SO3.4 WWV only)*: Delivery of activity is underway, but no indicators have been claimed to date. Performance management information from the operation lead shows good progress to date.

Priority 4: Technical Assistance

Table 8: EU Grant Commitment

£ Millions											
Operations	Allocation		Committed				Spend				
	Total	EU Grant	Total	EU Grant		Total	EU Grant				
West Wales and the Valleys ESF											
Total	6	18.4	13.7	24.6	(134%)	13.8	(101%)	4.4	(24%)	2.6	(19%)
East Wales ESF											
Total	5	7.0	3.5	5.6	(80%)	2.7	(77%)	1.1	(15%)	0.5	(14%)

Source: WEFO, 31/10/2017

Approvals since the last PMC

34. No approvals since previous PMC.

35. Four Regional Engagement Teams have been set up to help improve the way we deliver and manage the European Structural Funds programmes 2014-2020. They are based in North Wales, Mid Wales, Swansea Bay and South East Wales.

36. They are adding value to WEFO's delivery and management of the programmes by ensuring the regional integration of delivery. They are also contributing to the move towards a more strategic delivery model with a clearer framework for economic prioritisation by ensuring regional alignment and coherence of operations. One of the key functions of the teams is facilitating the regional proofing of proposed operations in order to provide a regional view to WEFO on the regional strategic fit of all proposed operations with relevant strategies and wider interventions and activities, and, on occasion, to facilitate the regional prioritisation of some proposed operations as requested by WEFO (for example, for ERDF Specific Objective 4.4). The teams are also working with the Regional Skills Partnerships in relation to regional proofing and engagement on ESF operations.

37. All TA operations have now been approved.

Section 1: WGRC-RDP Programme: Commitment

1. Table 1 shows spend to date, the allocation to date and the amount of EU Grant committed under the WGRC-RDP2014-2020.

Table 1: Allocation, Spend & Commitment

£ Millions									
Allocation ¹		Committed ²				Spend ²			
TOTAL	EAFRD	TOTAL		EAFRD		TOTAL		EAFRD	
774	520	787	(102%)	521	(100%)	125	(16%)	89	(17%)

Source: WEFO, 31-10-2017

¹ Based on a conversion rate of £1:€1.25

² Percentages show share of allocation

Overall Programme Update

2. The WGRC-RDP2014-2020 continues to make good progress since its approval on 26th May 2015.
3. Based on a planning rate of £1:€1.25 the current policy level commitment for the Programme is £787.3m (£521m EU funding) which is just over 102% of the Programme. At a project level a total of £461.3m funds have been committed, representing 59.6% of Programme funds. Sections of the Programme are further advanced in delivery and project approvals than others; this is to be expected given the wide range of activities which can be supported through the programme and the current stage of Programme delivery. Overall Programme spend to date has increased by over £20m since the last PMC to £124.5m (£89.5m EAFRD), of this £58m relate to Pillar I transfer payments. These values will further increase as applications under appraisal are approved. The Programme remains on track to achieve its N+3 target of €123.8m during 2018. Forecasts indicate we should reach the target by the end of 2017.
4. For the socio-economic schemes within the programme, a total of 545 successful EOIs and 126 direct applications¹ have been invited to submit a full application. To date, 499 (EOI & direct) full applications have been received. A total of 286 (EOI & direct application) operations have been approved with

¹ These direct applications cover procured activity, such as Farming Connect, LEADER projects submitted by the Local Action Group (LAG) Admin Bodies following the competitive process to select LAGs, those EOIs re-directed to another part of the Programme following technical clarification from the EC regarding Measure 16.4 activity, those projects that originally came through a competitive EOI round as phase 1 proof of concept projects to progress to stage 2 delivery if Phase 1 were successful, non procured Measure 1 specialist advice in line with permitted derogation from procurement and strategic initiatives / core activity such as the Agri SI and Project Helix.

an overall allocation, including LEADER and direct applications of £203m. This will further increase over the coming months as a result of recent EOI windows.

5. Progress against the Performance Framework for the WGRC-RDP2014-2020 can be found in Annex 6.

Indicator Progress

6. At this stage in programme delivery, it is not possible to provide forecasts against indicators for all Measures / Focus Areas. Approved target values have been provided by Focus Area even where forecast data is not yet available.

Section 2: Progress by Priority Axis

Priority 1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas

Table 2: Progress against indicators

Focus Area	Measure	Outputs	Target	Forecast	Achieved to Date	
FA 1(a) Fostering innovation and the knowledge base in rural areas	1	Total public expenditure (£'m)	£66.0m	£82.3m	£0.0m	0%
	2	Total public expenditure (£'m)	£16.3m	£11.5m	£0.0m	0%
	16	Total public expenditure (£'m)	£91.5m	£1.7m	£0.3m	0%
FA 1(b) Strengthening the links between agriculture and forestry and research innovation	16.1	Number of EIP operational groups to be supported (establishment and operation)	45	45	0	0%
	16.2 to 16.9	Number of other cooperation operations (groups, networks/clusters, pilot projects...)	1,027	57	0	0%
FA 1(c) Fostering lifelong learning and vocational training in the agricultural and forestry sectors	1.1	Number of participants in trainings	13,500	13,000	10,010	74%

Source: WEFO, 31-10-2017

Priority 1

Knowledge Transfer, Innovation and Advisory Services - Measures 1 & 2

7. Knowledge Transfer Programme: As part of the Knowledge Transfer Programme, a pan Wales Demonstration network has been set up which consists of consists of 8 Innovation sites, 12 Demonstration Farms and 77 Focus sites. Various projects are taking place on the sites such as a focus on grassland production, Parasitology and genomics.
8. Cross-sector farms across Wales have been selected to take part in 'The Welsh Pasture Project', that measure and monitor weekly grass growth. Each farm uses a plate meter to collect weekly grass growth measurements, and collect monthly grass samples for quality analysis. By having accurate data on grass growth and quantity of available Dry Matter, each farm manager can make grazing management decisions based on facts that will improve utilization and on farm efficiency.
9. One Focus Site involved in the Welsh Pasture Project, has seen live weight lamb produced per ewe increase by 14%, by improving grassland management and sheep genetics. This has meant £12 more per ewe and £3,600 more within the flock compared to the previous year.

10. Lifelong Learning and Development Programme: To date 1,603 beneficiaries have completed and claimed for accredited training since October 2015. 32 e-learning modules are available and 2,355 instances of e-learning have been completed. E-learning topics range from health & safety, farm finance and farm liver fluke management. 3,172 individual Personal Development Plans have been completed since the start of the programme.
11. Advisory Service: To date 821 one-to-one applications have been approved for the service since December 2016 and 804 applications for group advice. The demand for group continues to rise and the original target for application approvals has been exceeded.
12. Benchmarking: The Farming Connect Benchmarking online system (Measure 2 Manage) is now live and data collected from farmers as part of Farming Connect discussion groups will be input into the benchmarking system from November. As of January 2018, in line with decisions made by the Agriculture Strategic Initiative Operational Group, Measure 2 Manage will be replaced by the Agriculture and Horticulture Development Board (AHDB) benchmarking system (Farmbench) which will form part of the Agriculture Strategic Initiative.
13. Venture: To date 107 new entrants and 96 established farmers have expressed an interest in the programme. Individuals who have found potential business partners are now proceeding to apply for group advice through the advisory service and further legal guidance where necessary. 33 potential matches have been identified, all of which are at various stages in the Venture process. Seven of the 33 matches have now been confirmed as official Joint Ventures.
14. Segmentation model: Farming Connect has been working with the consultancy firm Brook Lyndhurst to integrate the farmer segmentation model into some aspects of Farming Connect Delivery, for example how the model can be used to encourage take up of benchmarking as well as simplifying promotional literature.
15. Independent evaluation: The contract for the evaluation of the Knowledge Transfer Innovation and Advisory Services delivered through Farming Connect is currently advertised on the sell2wales website. The closing date was 13 November 2017.
16. General comments: Welsh Government has received the first two claims from both contractors amounting to £7.4 m for Measure 1 and £0.8m relating to Measure 2. The first claim was processed and cleared on 29 September 2017 and the second claims was processed and cleared on 6 October 2017.

17. The third claims will cover activity relating to the period 1st August 2017 to 30 September 2017. The estimated forecasted value of these claims is £0.8m for Measure 1 and £0.2m for Measure 2. These claims are likely to be paid in November 2017.

European Innovation Programme Wales – Measure 16.1

18. One application has been received under the new delivery model (Menter a Busnes). The application is in appraisal, representing a total grant commitment of £1.8m.

Priority 2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

Table 3: Progress against indicators

Focus Area	Measure	Outputs	Target	Forecast	Achieved to Date	
FA 2(a) Facilitating restructuring of farms facing major structural problems, notably farms with a low degree of market participation, market-oriented farms in particular sectors and farms in need of agricultural diversification	1.1	Training/skills acquisition - Number of participants in trainings	10,010	10,010	3,084	31%
	1.1	Number of training days given	16,160	8,008	2,404	15%
	1.1	Training/skills acquisition - Total public for training/skills (£'m)	£2.5m	£3.2m	£1.0m	40%
	1.2	Number of demonstration operations / information actions supported	1,395	1,395	1,088	78%
	1.3	Number of farm exchanges operations supported	39	39	12	31%
	1.1 -1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£34.1m	£42.7m	£5.7m	17%
	2.1	Number of beneficiaries advised	2,963	2,963	307	10%
	2.3	Number of advisor trained	260	260	0	0%
	2.1 - 2.3	Total public expenditure (£'m)	£6.8m	£6.7m	£0.5m	7%
	4.1	Number of holdings supported for investment in agricultural holdings	2,431	15	0	0%
	4.1	Total public expenditure (£'m)	£56.1m	£7.8m	£0.0m	0%
	4	Total investment (public + private) (£'m)	£140.3m	£20.5m	£0.0m	0%
	4	Total public expenditure (£'m)	£56.1m	£7.8m	£0.0m	0%
	16	Total public expenditure (£'m)	£0.4m	£0.3m	£0.0m	0%

Source: WEFO, 31-10-2017

Focus Area 2a

Farm Business Grant (FBG) Scheme – Measure 4.1

19. The Farm Business Grant (FBG) scheme under Measure 4.1 has been designed to help farmers in Wales to improve the economic and environmental performance of their agricultural businesses. The objective is to increase on-farm investment leading to an improvement in technical performance, on-farm production efficiencies and on-farm resource efficiencies.
20. The grant offers capital investment in equipment and machinery that have been pre-identified as offering clear and quantifiable benefits to your farm business. A standardised cost and minimum specification has been allocated to each of the capital items through the FBG. A grant of between £3,000 and £12,000 is available (project costs of around £7,500 and £30,000). The maximum grant rate for any individual farm business is 40% of the total investment cost. A summary of the two windows held is provided below;

21. First window:

- Opened on 3 April and closed 30 June 2017
- Budget allocation of £6 m
- Total number of application submitted was 507
- With a total grant value requested of £3.47m
- Total number of applications approved is 493
- Total grant value approved was £3.31m
- 14 applications rejected or withdrawn by applicant (103k)

22. Second Round:

- Opened on 2 August and closed 29 September 2017
- Budget allocation of £7.6 m with surplus budget from first round rolled forward to the second round.
- Total number of application submitted was 327
- With a total grant value requested was £2.34m
- Average grant request was £7,254
- 318 applications underwent appraisal process with total grant value of £2.32m
- As of 1st November 312 of these have been approved (£2.28m)
- One application is on hold (requiring title changes on CAPIT) £7k
- With five applications rejected or withdrawn by the applicant (32k)

Sustainable Production Grant (SPG) Scheme – Measure 4.1

23. To date, three rounds of SPG have been run, the first for a budget of £2.0m with 172 received and 12 beneficiaries invited to submit a full application and the second for £6.0m with 172 EOIs received and 39 beneficiaries. The third round, also for £6.0m received 152 EOIs, of which 30 were invited to the second stage of the application process.

24. Payments totalling grant value of £0.9m have been paid to ten beneficiaries.

25. Expressions of Interest (EOI): To date 81 successful EOIs have been invited to submit full applications under Priority 2 (Focus Area 2a) Sustainable Production Grant (SPG representing a total grant commitment at EOI of £14.2m). Of these:

- 19 full applications are in appraisal, totalling a grant commitment of £4m
- 54 have been approved, with a total grant value of £9.7m, of which 45 have accepted (£9.0m)
- Eight have been withdrawn/rejected, a grant value of £1.5m

26. Direct Applications: Additionally under Focus Area 2a ten direct applications have been invited, totalling a grant commitment of £29.9m. Of these eight have been approved (£29.1m), of which seven have accepted (£27.7m). Of the ten direct applications there are;

- Eight Farming Connect applications
- One Rural Business Advisory Service (NRW) application
- One Sustainable Production Grant application (Greenfin Aquaponics)

27. Of those eight direct applications approved there are:

- Seven Farming Connect applications
- One Rural Business Advisory Service (RBAS) application

28. Of the two direct applications not yet been submitted:

- One Sustainable Production Grant application
- One Farming Connect application

Priority 3: Promoting food chain organisation and risk management in agriculture

Table 4: Progress against indicators

Focus Area	Measure	Outputs	Target	Forecast	Achieved to Date	
FA 3(a) Better integrating primary producers into the food chain through quality schemes, promotion in local markets and short supply circuits, producer groups and inter-branch organisations	1.1	Training/skills acquisition - Number of participants in trainings	1,150	650	200	17%
	1.1	Number of training days given	6,345	520	156	2%
	1.1	Training/skills acquisition - Total public for training/skills (£'m)	£21.8m	£0.2m	£0.06m	0%
	1.2	Number of demonstration operations / information actions supported	91	91	71	78%
	1.1 - 1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£23.9m	£2.8m	£0.4m	2%
	2.1	Number of beneficiaries advised	303	303	31	10%
	2.3	Number of advisors trained	27	27	0	0%
	2.1 - 2.3	Total public expenditure (£'m)	£0.7m	£0.9m	£0.05m	7%
	4.1 + 4.2	Number of operations supported for investment (e.g. in agricultural holdings, in processing and marketing of ag. products) (4.1 and 4.2)	120	24	0	0%
	4	Total investment (public + private) (£'m)	£93.6m	£73.7m	£0.0m	0%
	4	Total public expenditure (£'m)	£35.8m	£24.6m	£0.0m	0%
	16.4	Number of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)	165	414	0	0%
	16	Number of cooperation operations supported (non EIP)	165	0	0	0%
	16	Total public expenditure (£'m)	£26.5m	£1.6m	£0.0m	0%

Source: WEFO, 31-10-2017

Focus Area 3a

29. Expression of Interest: To date 103 successful EOIs have been invited to submit full applications under Priority 3 (Focus Area 3a) of the Programme. Of these 73 full applications are in appraisal or have been approved, representing a total grant commitment of £38.7m of which:

- Four EOI windows have opened for the Cooperation & Supply Chain Development Scheme: Six applications have been approved and accepted (£2.8m); Six have been rejected (£1.4m);
- Five EOI windows have opened since Food Business Investment Scheme launched: 36 applications are under appraisal (£6.1m); 31 applications have been approved and accepted (£29.8m) 30 have been rejected (£3m);

30. Direct Applications: Eight direct applicants have submitted full applications for the Knowledge Transfer & Innovation Scheme under Measure 1.1. Five have

been approved, with a total grant commitment of £24.5m. This includes Project Helix with a value of £21.9m.

Priority 4: Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry

Table 5: Progress against indicators

Priority	Measure	Outputs	Target	Forecast	Achieved to Date	
Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry (agricultural land)	1.1	Training/skills acquisition - Number of participants in trainings	1,040	1,040	320	31%
	1.1	Number of training days given	832	832	250	30%
	1.1	Training/skills acquisition - Total public for training/skills (£'m)	£0.3m	£0.3m	£0.1m	38%
	1.2	Number of demonstration operations / information actions supported	145	145	113	78%
	1.3	Number of farm exchanges operations supported	4	4	1	25%
	1.1 - 1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£3.5m	£4.4m	£0.6m	17%
	2.1	Number of beneficiaries advised	3,344	758	79	2%
	2.3	Number of advisor trained	67	67	0	0%
	2.1 - 2.3	Total public expenditure (£'m)	£4.0m	£2.2m	£0.1m	3%
	4.4	Number of operations of support for non productive investment (4.4)	14,590	9,453	239	2%
	4	Total investment (public + private) (£'m)	£86.0m	£107.0m	£1.1m	1%
	4	Total public expenditure (£'m)	£86.0m	£107.0m	£1.1m	1%
	8.1	Area (ha) to be afforested (establishment only - 8.1)	2,498	2,000	349	14%
	8.1	Total public expenditure (8.1) (£'m)	£14.3m	£10.6m	£1.4m	10%
	8.2	Area (ha) to be established in agro-forestry systems (8.2)	50	50	1	2%
	8.2	Total public expenditure (8.2) (£'m)	£0.03m	£0.21m	£0.00m	6%
	10.1	Total Area (ha) under agri-environment-climate (10.1)	1,417,210	0.00		0%
	10.1	Physical Area (ha) under agri-environment-climate (10.1)	635,399	528,010	676,469	106%
	10.1	Number of contracts supported	7,338	7,338	6,877	94%
	10.1	Total public expenditure (10.1+10.2) (£'m)	£184.7m	£230.1m	£40.3m	22%
	11.1	Number of holdings supported	201	201	147	73%
	11.1	Area (ha) conversion to organic farming	11,153	11,153	15,018	135%
	11.2	Number of holdings supported	341	341	446	131%
	11.2	Area (ha) maintenance of organic farming	57,287	57,287	57,544	100%
	11	Total public expenditure (£'m)	£21.2m	£21.2m	£4.1m	19%
	16	Number of cooperation operations supported (non EIP)	25	0	0	0%
	16	Total public expenditure (£'m)	£7.6m	£0.4m	£0.0m	0%

Source: WEFO, 31-10-2017

Priority	Measure	Outputs	Target	Forecast	Achieved to Date	
Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry (forest area)	1.1	Training/skills acquisition - Number of participants in trainings	130	130	40	31%
	1.1	Number of training days given	104	104	31	30%
	1.1	Training/skills acquisition - Total public for training/skills (£'m)	£0.03m	£0.04m	£0.01m	40%
	1.2	Number of demonstration operations / information actions supported	18	18	14	78%
	1.3	Number of farm exchanges operations supported	1	1	0	0%
	1.1 - 1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£0.4m	£0.4m	£0.07m	17%
	2.1	Number of beneficiaries advised	851	51	5	1%
	2.3	Number of advisor trained	4	4	0	0%
	2.1 - 2.3	Total public expenditure (£'m)	£1.2m	£0.1m	£0.01m	1%
	8.3	Number of beneficiaries for preventive actions (8.3)	1	0	0	0%
	8.3	Area supported (ha)	76,000	0	0	0%
	8.3	Total public expenditure (£'m)	£0.3m	£0.0m	£0.0m	0%
	8.4	Number of beneficiaries supported	61	0	79	130%
	8.4	Area supported (ha)	594	0	507	85%
	8.4	Total public expenditure (£'m)	£1.3m	£0.0m	£1.2m	93%
	8.5	Number of operations (investments improving resilience and value of forest ecosystems) (8.5)	403	501	172	43%
	8.5	Areas concerned by investments improving resilience and environmental value of forest ecosystems (8.5)	9,445	7,000	386	4%
	8.5	Total public expenditure (£'m)	£4.1m	£5.6m	£0.5m	13%
	15.1	Number of contracts supported	70	0	0	0%
	15.1	Areas under forest environment contract	700	0	0	0%
	15.1	Total public expenditure (£'m)	£0.3m	£0.0m	£0.0m	0%
	16	Number of cooperation operations supported	10	0	0	0%
	16	Total public expenditure (£'m)	£3.4m	£0.1m	£0.0m	0%

Source: WEFO, 31-10-2017

Priority 4

31. Measure 4.4 – The next round for the Glastir Small Grant Scheme themed ‘Carbon’ (to address Focus Area 5e) will open on the 1st November with a budget of £1.5m. Closing date for this round will be 13th December 2017.

Further information can be found at;

<http://gov.wales/topics/environmentcountryside/farmingandcountryside/farming/schemes/glastir/glastir-small-grants/carbon/?lang=en>

32. Measure 10.1 – This includes Glastir Entry, Advanced and Commons schemes. It also includes multi-annual, area-based payments for existing farm woodlands in Glastir Woodland Management (GWM) and has seen total expenditure of £28.2m. The number of contracts under Measure 10.1 stands

at 6,877 covering an area of 676,469ha. Glastir Entry has achieved a total of 4,603 contracts, amounting to a total area of 543,496ha against a forecast area of 548,750ha. No further Entry contract offers will be made, as the Welsh Government considers that more targeted interventions, such as those in Glastir Advanced and, now, Glastir Small Grants are more appropriate to achieve its objectives. Glastir Entry participants whose contracts end in December will have the opportunity to apply to Glastir Small Grants, a capital scheme funded through Measure 4.4 that addresses Priority 4 Focus Areas 4a and 4b, as well as Priority 5 Focus Areas 5d and 5e.

33. **Measures 10.1 & 4.4** – Glastir Advanced now comprises 2,403 contracts, of which 895 are stand-alone contracts, 1,508 contracts underpinned by Glastir Entry and a further 79 contracts in Glastir Commons. Expenditure under this RDP has been £13.9m for Measure 4.4 and £16.9m for Measure 10.1.
34. The Expression of Interest for Glastir Advanced 2019 opened on 18 September and closed at midnight on 20 October 2017. 321 EOIs were submitted. Selection is yet to take place.
35. The Welsh Government is about to begin offering contract renewals to eligible Glastir Advanced beneficiaries to 31 December 2019.
36. **Measure 10.1** – Glastir Commons - no change from previous report.
37. **Measure 11** – Glastir Organic - no change from previous report.
38. **Measure 8.1 & 8.2: Glastir Woodland Creation** has seen the establishment of 507ha of new woodland creation. The majority has been established under Measure 8.1 – Afforestation and creation of woodland, with only 1ha under Measure 8.2 – Agro-forestry. Total expenditure to date has been £2.1m. First claims for maintenance and income foregone have been received via SAF2017. Claims will be processed in February 2018.
39. A fifth GWC round commenced 31 July and closed on 25 August 2017. 102 EOIs were received with a total planting area of 723ha submitted and a capital value of £2.6m. A selection process will be undertaken to remain within the allocated budget of £1.7m.
40. The next window is scheduled to open in February 2018 with a budget of £1.7m for capital expenditure and additional funds to cover income foregone and maintenance payments.
41. **Measure 8.5** – Glastir Woodland Management includes only legacy contracts from the previous RDP and is paid through Measure 8.5 for capital payments

and Measure 10.1 for multi-annual, area-based payments. Presently, there are 268 extant contracts, with expenditure under this RDP amounting to £2.1m for Measure 8.5.

42. **Measure 8.4:** A fifth round for Glastir Woodland Restoration (GWR), with a budget of £1.0m opened on 5th June, closing on 30 June 2017. A total of 63 EOIs were received with a total re-stocking area of 442ha submitted and a capital value just under £1.0m. Of these 59 EOIs have been selected following eligibility checks to submit a Forest Management plan with a total restock area of 424ha.
43. **Measure 2.1:** Under the Glastir Advisory Support programme to date, no funding has been awarded.
44. For Glastir historic and water quality advice the first contract for historical advice has been awarded to the Welsh archaeological Trusts. The second part of the approval process for the remainder of advice is currently being procured. Mechanism for the delivery of water quality advice is under review.
45. **Measure 16.5:** To date the Sustainable Management Scheme (SMS) has invited 25 successful EOIs to submit full applications to the Sustainable Management Scheme, a total grant commitment of £15m. All 25 successful EOIs have submitted full applications. Seven of these projects (a grant total £3.9m) have been approved and are now active. A further 17 are in appraisal, with a total grant commitment of £8.6m.
46. A third window for a further £5m of funding closed in September 2017 with an announcement for further successful EOIs to develop full applications to occur in November 2017. For Window 3 the first evaluation criteria was changed to reflect the requirement for the SMS to support the soon to be published Natural Resource policy. Two further potential windows have been scheduled under the WGRC-RDP with indicative dates advertised as February 2018 and August 2018.
47. **Measures 1, 2 & 16.1:** Progress under Farming Connect and EIP can be found under Priority 1 update.

Priority 5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

Table 6: Progress against indicators

Focus Area	Measure	Outputs	Target	Forecast	Achieved to Date	
FA 5(b) Increasing efficiency in energy use in agriculture and food processing	1.1	Training/skills acquisition - Number of participants in trainings	260	260	80	31%
	1.1	Number of training days given	208	208	62	30%
	1.1	Training/skills acquisition - Total public for training/skills (£'m)	£0.07m	£0.08m	£0.03m	40%
	1.2	Number of demonstration operations / information actions supported	36	36	28	78%
	1.3	Number of farm exchanges operations supported	1	1	0	0%
	1.1 -1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£0.9m	£1.1m	£0.15m	17%
	2.1	Number of beneficiaries advised	83	83	9	11%
	2.3	Number of advisor trained	1	7	0	0%
	2.1 - 2.3	Total public expenditure (£'m)	£0.2m	£0.2m	£0.01m	7%
	4.1, 4.2 & 4.3	Number of operations s supported for investment (in agricultural holdings, in processing and marketing of ag. products) (4.1, 4.2 and 4.3)	286	0	0	0%
	4	Total investment (public + private) (£'m)	£16.5m	£0.0m	£0.0m	0%
	4	Total public expenditure (£'m)	£6.6m	£0.0m	£0.0m	0%
	16	Number of cooperation operations supported (non EIP)	0	0	0	N/A
	16	Total public expenditure (£'m)	£0.2m	£0.2m	£0.0m	0%

Source: WEFO, 31-10-2017

Focus Area 5b

48. Farming Connect (Measures 1 and 2), the Sustainable Production Grant (Measure 4.1) and EIP under Measure 16.1 are all programmed under Focus Area 5b. Progress under Farming Connect and EIP can be found under Priority 1. An update on the Sustainable Production Grant can found under Priority 2. Progress under Sustainable Production Grant can be found under Priority 4.

Focus Area	Measure	Outputs	Target	Forecast	Achieved to Date	
FA 5(c) Facilitating the supply and use of renewable sources of energy, of by-products, wastes, residues and other non-food raw material for purposes of the bio-economy	1.1	Training/skills acquisition - Number of participants in trainings	260	260	80	31%
	1.1	Number of training days given	208	208	62	30%
	1.1	Training/skills acquisition - Total public for training/skills (£'m)	£0.07m	£0.08m	£0.03m	40%
	1.2	Number of demonstration operations / information actions supported	36	36	28	78%
	1.3	Number of farm exchanges operations supported	1	1	0	0%
	1.1 - 1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£0.9m	£1.1m	£0.15m	17%
	2.1	Number of beneficiaries advised	66	66	7	11%
	2.3	Number of advisor trained	1	6	0	0%
	2.1 - 2.3	Total public expenditure (£'m)	£0.2m	£0.2m	£0.01m	7%
	4.1 + 4.3	Number of operations supported for investment (4.1, 4.3)	0	0	0	N/A
	4	Total investment (public + private) (£'m)	£0.0m	£0.0m	£0.0m	N/A
	4	Total public expenditure (£'m)	£0.0m	£0.0m	£0.0m	N/A
	7.2	Number of operations supported for investments of small scale infrastructure, incl. investments in renewable energy and energy saving (7.2)	197	0	0	0%
	7	Total investment (public + private) (£'m)	£18.4m	£0.0m	£0.0m	0%
	7	Total public expenditure (£'m)	£15.4m	£0.0m	£0.0m	0%
	8.5	Number of operations (investments improving resilience and value of forest ecosystems) (8.5)	5	0	0	0%
	8.5	Areas concerned by investments improving resilience and environmental value of forest ecosystems	355	0	0	0%
	8.5	Total public expenditure (£'m)	£0.01m	£0.00m	£0.00m	0%
	8.6	Number of operations for investments in forestry technology and primary processing/marketing (8.6)	100	0	0	0%
	8.6	Total investment (public + private) (8.6) (£'m)	£16.7m	£0.0m	£0.0m	0%
	8.6	Total public expenditure (£'m)	£6.7m	£0.0m	£0.0m	0%
	16	Number of cooperation operations supported (non EIP)	105	0	0	0%
	16	Total public expenditure (£'m)	£0.9m	£0.1m	£0.0m	0%

Source: WEFO, 31-10-2017

Focus Area 5c

49. Expression of Interest: To date seven successful EOIs have been invited to submit full applications under Priority 5 (Focus Area 5c), a total grant commitment of £0.7m. Of these four applications are appraisal, one is yet to be submitted and two have been rejected.

Focus Area	Measure	Outputs	Target	Forecast	Achieved to Date	
FA 5(d) Reducing nitrous oxide and methane emissions from agriculture	1.1	Training/skills acquisition - Number of participants in trainings	260	260	80	31%
	1.1	Number of training days given	208	208	62	30%
	1.1	Training/skills acquisition - Total public for training/skills (£'m)	£0.07m	£0.08m	£0.03m	40%
	1.2	Number of demonstration operations / information actions supported	36	36	28	78%
	1.3	Number of farm exchanges operations supported	1	1	0	0%
	1.1 - 1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£0.9m	£1.1m	£0.15m	17%
	2.1	Number of beneficiaries advised	988	588	61	6%
	2.3	Number of advisor trained	7	52	0	0%
	2.1 - 2.3	Total public expenditure (£'m)	£1.8m	£1.7m	£0.09m	5%
	4.1, 4.3 & 4.4	Number of operations supported for investment (e.g. manure storage, manure treatment) (4.1, 4.4 and 4.3)	4,893	150	14	0%
	4	Total investment (public + private) (£'m)	£8.3m	£0.1m	£0.0m	0%
	4	Total public expenditure (£'m)	£3.4m	£0.1m	£0.0m	1%
	10.1	Area (ha) (e.g. green cover, catch crop, reduced fertilisation, extensification...)	59,807	59,807	0	0%
	10.1	Total public expenditure (£'m)	£9.4m	£11.7m	£0.9m	10%
	16	Number of cooperation operations supported (non EIP)	0	0	0	N/A
	16	Total public expenditure (£'m)	£0.2m	£0.2m	£0.0m	0%

Source: WEFO, 31-10-2017

Focus Area 5d

50. Progress for the Glastir schemes delivering under Priority 5 (Focus Areas 5d & 5e) can be found under the Priority 4. Progress under Farming Connect and EIP can be found under Priority 1.

Focus Area	Measure	Outputs	Target	Forecast	Achieved to Date	
FA 5(e) Fostering carbon sequestration in agriculture and forestry	1.1	Training/skills acquisition - Number of participants in trainings	260	260	80	31%
	1.1	Number of training days given	208	208	62	30%
	1.1	Training/skills acquisition - Total public for training/skills (£'m)	£0.07m	£0.08m	£0.03m	40%
	1.2	Number of demonstration operations / information actions supported	36	36	28	78%
	1.3	Number of farm exchanges operations supported	1	1	0	0%
	1.1 - 1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£0.9m	£1.1m	£0.15m	17%
	2.1	Number of beneficiaries advised	786	76	8	1%
	2.3	Number of advisor trained	1	7	0	0%
	2.1 - 2.3	Total public expenditure (£'m)	£1.1m	£0.2m	£0.01m	1%
	4.4	Number of operations of support for non productive investment (4.4)	4,900.00	151.00	735.00	15%
	4	Total investment (public + private) (£'m)	£0.3m	£0.4m	£1.1m	363%
	4	Total public expenditure (£'m)	£0.3m	£0.4m	£1.1m	363%
	8.1	Area (ha) to be afforested (establishment only- 8.1)	832	832	147	18%
	8.1	Total public expenditure (8.1) (£'m)	£5.9m	£4.4m	£0.7m	11%
	8.2	Area (ha) to be established in agro-forestry systems (8.2)	50	50	0	0%
	8.2	Total public expenditure (8.2) (£'m)	£0.03m	£0.20m	£0.00m	0%
	8.3	Nr of beneficiaries for preventive actions	1	0	0	0%
	8.3	Area supported (ha)	225,000	0	0	0%
	8.3	Total public expenditure (8.3) (£'m)	£0.8m	£0.0m	£0.0m	0%
	8.4	Nr of beneficiaries supported	184	184	0	0%
	8.4	Area supported (ha)	1,781	1,781	0	0%
	8.4	Total public expenditure (8.4) (£'m)	£4.0m	£4.0m	£0.0m	0%
	8.5	Number of operations (investments improving resilience and value of forest ecosystems) (8.5)	393	393	30	8%
	8.5	Areas concerned by investments improving resilience and environmental value of forest ecosystems	4,900	3,000	0	0%
	8.5	Total public expenditure (8.5) (£'m)	£2.6m	£2.7m	£0.0m	0%
	10.1	Physical Area (ha) under agri-environment-climate for carbon sequestration	3,022	1,140	0	0%
	10.1	Total public expenditure (£'m)	£0.8m	£1.1m	£0.2m	26%
	16	Number of cooperation operations supported (non EIP)	200	0	0	0%
	16	Total public expenditure (£'m)	£0.5m	£0.2m	£0.0m	0%

Source: WEFO, 31-10-2017

Focus Area 5e

51. Progress for the Glastir schemes delivering under Priority 5 (Focus Areas 5d & 5e) can be found under the Priority 4. Progress under Farming Connect and EIP can be found under Priority 1.

Priority 6: Promoting social inclusion poverty reduction and economic development in rural areas

Table 7: Progress against indicators

Focus Area	Measure	Outputs	Target	Forecast	Achieved to Date	
FA 6(a) Facilitating diversification, creation of new small enterprises and job creation	2.1	Number of beneficiaries advised	168	168	17	10%
	2.3	Number of advisors trained	15	15	0	0%
	2.1 - 2.3	Total public expenditure (£'m)	£0.4m	£0.5m	£0.03m	7%
	4	Total investment (public + private) (£'m)	£0.0m	£0.0m	£0.0m	N/A
	4	Total public expenditure (£'m)	£0.0m	£0.0m	£0.0m	N/A
	6.2 + 6.4	Number of beneficiaries (holdings) receiving start up aid/support for investment in non-agric activities in rural areas (6.2 and 6.4)	420	140	0	0%
	6	Total investment (public + private) (£'m)	£43.1m	£0.0m	£0.0m	0%
	6	Total public expenditure (£'m)	£19.5m	£0.0m	£0.0m	0%
	8.5	Number of operations (investments improving resilience and value of forest ecosystems) (8.5)	76	0	0	0%
	8.5	Areas concerned by investments improving resilience and environmental value of forest ecosystems	760	0	0	0%
	8.5	Total public expenditure (£'m)	£0.1m	£0.0m	£0.0m	0%
	8.6	Number of operations for investments in forestry technology and primary processing/marketing (8.6)	20	5	0	0%
	8.6	Total investment (public + private) (£'m) (8.6)	£3.3m	£1.6m	£0.0m	0%
	8.6	Total public expenditure (8.6) (£'m)	£1.3m	£0.6m	£0.0m	0%
	16	Number of cooperation operations supported (non EIP)	106	0	0	0%
	16	Total public expenditure (£'m)	£0.3m	£0.0m	£0.0m	0%
	6.2, 6.4, 8.6	Number of jobs created	765	635	0	0%

Source: WEFO, 31-10-2017

Focus Area 6a

52. Expression of Interest: To date 60 successful EOIs have been invited to submit full applications under Focus Area 6a, a total grant commitment at EOI of £3.8m. Of these:

- Six full applications are in appraisal and 36 have yet to be submitted, representing a grant commitment of £2.3m.
- Ten have been approved, with a total grant value of £0.7m, of which five have accepted (£0.6m).
- Eight with a grant value of £0.6m have been rejected or withdrawn.

53. Direct Applications: Two direct applicants have been invited to submit full applications. Both have been approved, with a total grant value of £11.9m, of

which one has accepted (£10.0m). These are applications from Visit Wales (Welsh Government) requesting budget for their Micro and Small Business Fund and from the Welsh Government's Food Division for their Rural Business Investment Scheme – Food.

Focus Area	Measure	Outputs	Target	Forecast	Achieved to Date	
FA 6(b) Fostering local development in rural areas	7.1	Number of operations supported support for drawing up of village development and N2000/HNV area management plans	100	0	0	0%
	7.2	Number of operations supported support for investments in small scale infrastructure, incl renewable energy infrastructure	56	1	0	0%
	7.4	Number of operations supported support for investments in local basic services for the rural population	168	21	0	0%
	7.5	Number of operations supported support for investments in recreational/tourist infrastructure	150	1556	0	0%
	7.6	Number of operations supported support for studies/investments in rural cultural and natural heritage, incl HNV sites	80	5	0	0%
	7.7	Number of operations supported support for investments in relocation of activities for environmental/quality of life reasons	50	0	0	0%
	7.1, 7.2, 7.4, 7.5, 7.6, 7.7	Population benefiting from improved services/infrastructures	1,381,745	266,672	0	0%
	7	Total public expenditure (£'m)	£41.2m	£7.9m	£0.0m	0%
	19	Number of LAGs selected	18	18	18	100%
	19	Number of projects supported	54	54	0	0%
	19	Number of cooperation projects supported	27	29	0	0%
	19	Population covered by LAG	1,381,745	1,381,745	0	0%
	19.1	Total public expenditure - preparatory support (£'m)	£0.04m	£0.05m	£0.00m	0%
	19.2	Total public expenditure - support for implementation of operations under the CLLD strategy (£'m)	£33.2m	£32.4m	£0.0m	0%
	19.3	Total public expenditure - preparation and implementation of cooperation activities of the local action group (£'m)	£3.3m	£3.4m	£0.0m	0%
	19.4	Total public expenditure - support for running costs and animation (£'m)	£11.1m	£11.8m	£0.0m	0%
	16	Number of cooperation operations supported (non EIP)	216	57	0	0%
	16	Total public expenditure (£'m)	£51.6m	£0.0m	£0.0m	0%
	7 + 19	Number of jobs created	100	85	0	0%

Source: WEFO, 31-10-2017

Focus Area 6b

54. Expressions of Interest: To date 250 successful EOIs have been invited to submit full applications under Focus Area 6b, with a total grant commitment at EOI of £40.4m. Of these:

- 77 full applications are in appraisal, representing a grant commitment of £13.5m
- 32 invited full applications have yet to be received, representing a grant commitment of £3.5m

- 79 have been approved, a total grant value of £15.7m, of which 56 have accepted (£14.7m)
- 62 have been rejected/withdrawn with a value of £8.5m

55. Of the above:

- Cooperation & Supply Chain Development Scheme: Seven applications are under appraisal (£5.2m); 23 applications have been approved (£10.1m); Two applications are yet to be received (£560k); and seven have been rejected/withdrawn (£5.2m)
- Rural Community Development Fund: 69 applications are under appraisal (£7.3m); 58 applications have been approved (£5.4m), of which 33 have accepted (£4.6m); 30 applications are yet to be received (£2.9m) and 55 have been rejected/withdrawn (£5.6m).
- Knowledge Transfer & Innovation: One application under appraisal (£1m)

56. Direct Applications: 84 direct applicants have been invited to submit full applications, a total grant commitment at EOI of £105.4m.

57. Of these:

- 79 have been approved with a grant value of £72.6m
- Three applications have not yet been received (£1.8m)
- Two have been withdrawn (£36.0m)

58. Of the above:

- 75 full applications have been submitted by the 18 LAGs for LEADER under Measures 19.1, 19.2, 19.3 & 19.4 and have been approved with a total grant value of £47.6m. The LAGs were initially selected via a competitive process involving an EOI and full application.
- Three full applications for C&SCDS under Measures 16.2 & 16.3 been approved (£21m); 3 are not yet received; and two have been withdrawn (£36.0m);
- One full application for RCDF under Measure 7.5 has been submitted and approved with a total grant value of £4.0m, this is the Visit Wales application to delivery their Tourism Amenity Investment Scheme (TAIS) .

Focus Area	Measure	Outputs	Target	Forecast	Achieved to Date	
FA 6(c) Enhancing accessibility to, use and quality of information and communication technologies (ICT) in rural areas	1.1	Training/skills acquisition - Number of participants in trainings	130	130	40	31%
	1.1	Number of training days given	104	104	31	30%
	1.1	Training/skills acquisition - Total public for training/skills (£'m)	£0.03m	£0.04m	£0.01m	40%
	1.1 -1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£0.4m	£0.6m	£0.07m	17%
	7.3	Number of operations for investments in broadband infrastructure and access to broadband, incl e-government services (7.3)	49	0	0	0%
	7.3	Population benefiting from new or improved IT infrastructures (e.g. broadband internet)	500,000	0	0	0%
	7.3	Total public expenditure (£'m)	£2.5m	£0.06m	£0.0m	0%

Source: WEFO, 31-10-2017

Focus Area 6c

59. Expression of Interest: To date six successful EOIs have been invited to submit full applications under Focus Area 6c Rural Community Development Fund Measure 7.3, a total grant commitment at EOI of £0.5m.

60. Of these three full applications are in appraisal (£0.3m); Two applications have been approved, with a total grant value of £144k, and one has been withdrawn (£16k).

Section 3: Technical Assistance**Table 8: Progress against indicators**

Measure	Outputs	Allocation	Forecast	Achieved	
20.1	Total public expenditure (£'m)	£28.7m	£26.4m	£0.0m	0%
20.2	Total public expenditure (£'m)	£2.4m	£2.4m	£0.0m	0%
Measure	Outputs	Target	Forecast	Achieved	
20.2	Number of thematic and analytical exchanges set up with the support of the NRN by type	25	25	14	56%
20.2	Number of NRN communication tools	230	230	528	230%
20.2	Number of ENRD activities in which the NRN has participated	10	10	12	120%

Source: WEFO, 31-10-2017

61. To date six projects have been approved under Technical Assistance (TA); the remaining two projects (the Wales Rural Network (WRN) and Managing Authority & Delivery costs projects) were put on hold awaiting approval of the Omnibus Regulation. Due to the delays in the agreement of the regulation, appraisal has now continued and the projects will be approved imminently. Project domestic spend continues on all projects. One EU claim for Technical Assistance has been submitted and is now under appraisal (£1.7m). It is expected that all projects will have submitted claims by March 2018.

62. Indicator achievements shown in the above table for the WRN have been funded through domestic funds given delays as a result of the Omnibus Regulation.

Programme	West Wales and the Valleys ERDF		Source: WEFO, 31/10/2017		
Priority	Lead Beneficiary	Operation Title	Total investment (£m)	EU Grant Commitment (£m)	
1	Aberystwyth Innovation and Enterprise Campus Ltd	Aberystwyth Innovation and Enterprise Campus (AIEC)	35.5	20.0	
		Aberystwyth University	BEACON Plus	12.0	7.9
		Bangor University	M-Sparc	20.2	10.2
			SEACAMS 2	17.1	12.0
		Cardiff University	Centre for Environmental Biotechnology	7.6	5.0
			FLEXIS West	14.6	9.6
			Supercomputing Wales WWV	8.0	5.3
	Swansea University	ASTUTE 2020	14.7	10.0	
		Computational Foundry	25.9	17.1	
		IMPACT	35.0	17.4	
		AgorIP West Wales and the Valleys	13.5	4.7	
		Solar Photovoltaic Academic Research Consortium (SPARC II)	7.2	4.8	
		SMARTAQUA	2.0	1.4	
		SPECIFIC 2	26.3	15.0	
		TWI Ltd	Advanced Engineering and Materials Research Institute	12.9	7.5
		University of South Wales	CEMET Centre of Excellence in Mobile and Emerging Technology WWV	6.5	4.3
		WG - Department for Economy, Science and Transport	Ser Cymru II (West Wales and the Valleys)	20.6	14.7
			SMART Expertise (West Wales and the Valleys)	33.8	21.2
			SMARTCymru (West Wales and the Valleys)	34.0	15.1
			SMARTInnovation (West Wales and the Valleys)	11.3	7.5
1 Total			358.7	210.6	
2	Finance Wales Plc	Wales Business Fund (Supported by ERDF) WWV 2.1 FI	149.6	74.8	
		Wales Business Fund (Supported by ERDF) WWV 2.5 FI	41.4	20.7	
	Wales Co operative Centre	Social Business Wales West Wales and the Valleys	8.9	5.2	
		Social Business Growth Fund WWV	3.0	1.8	
	WG - Department for Economy, Science and Transport	Entrepreneurship Support - Business Wales (West Wales)	31.0	18.6	
		SME Support - Business Wales (West Wales and The Valleys)	33.3	20.0	
		Superfast Broadband Business Exploitation West Wales and Valleys	8.6	5.2	
		2 Total		275.8	146.4
3	Bridgend County Borough Council	Caerau Heat Scheme	9.4	6.5	
		Marine Power Systems Limited	WaveSub	3.5	2.4
	Menter Mon	MorlaisTidal Energy Zone Development	5.6	4.2	
	Minesto UK LTD	Deep Green	24.2	10.5	
	Wave Hub Limited	South Pembrokeshire Wave Energy Demonstration Zone - Feasibility	0.4	0.3	
	Wave-Tricity Limited	Ocean Wave Rower	5.9	4.1	
	WAG The Economic Development Group within DEandT	Arbed 3 WWV	28.4	19.7	
	Pembrokeshire Coastal Forum CiC	Marine Energy Test Area META	1.8	1.1	
3 Total		79.2	48.8		
4	Aberystwyth University	Vet Hub 1	4.2	3.0	
	Blaenau Gwent County Borough Council	Lime Avenue Business Park	6.5	2.6	
	Caerphilly County Borough Council	The Lawns Rhymney	2.0	1.3	
		Ty Du Strategic Development Site	3.0	1.3	
	Conwy County Borough Council	Penmaen Road Employment Site Conwy Morfa	3.6	1.5	
	Neath Port Talbot County Borough Council	Port Talbot Transport Hub	5.1	2.4	
		Harbourside Strategic Employment Site	5.3	3.5	

Programme		West Wales and the Valleys ERDF		Source: WEFO, 31/10/2017	
Priority	Lead Beneficiary	Operation Title	Total investment (£m)	EU Grant Commitment (£m)	
	WG - Department for Economy, Science and Transport	Property Infrastructure Fund	20.0	7.0	
		Strategic Employment Sites	20.8	11.6	
		Superfast Broadband Infill West Wales and Valleys	21.1	13.8	
		Tourism Attractor Destinations	84.8	27.7	
		Ultrafast Broadband West Wales and Valleys	9.2	6.0	
		Wales Station Improvement Programme Phase 2	22.1	16.4	
		A55 Abergwyngregyn to Tai'r Meibion	22.4	14.9	
		A55 Junctions 15 and 16	40.0	26.3	
		Property for Business Development Grant (PBDG)	20.0	7.0	
		A40 Llanddewi Velfrey to Penblewin	35.0	23.0	
	WG - Department of Local Government and Communities	Building for the Future	112.6	38.0	
	Isle of Anglesey County Council	Llangefni Strategic Employment Site	8.6	4.2	
	City and County of Swansea	The Kingsway	12.7	4.5	
4 Total			458.9	216.1	
5	Bridgend County Borough Council	South East Regional Engagement Team ERDF WWV	0.4	0.3	
	Carmarthenshire County Council	Swansea Bay Regional Engagement Team ERDF	0.6	0.5	
	Ceredigion County Council	Mid Wales Regional Engagement Team ERDF WWV	0.3	0.3	
	Conwy County Borough Council	North Wales Regional Engagement Team ERDF WWV	0.5	0.3	
	Wales Council for Voluntary Action	IB and 3-SET ERDF WWV	2.4	1.3	
	WG - Department for Economy, Science and Transport	IB WG E and I TA Revenue WWV	3.4	3.0	
	WAG DEandT WEFO	WEFO TA ERDF WWV	18.6	13.8	
5 Total			26.4	19.5	
Approved Total			1,199.0	641.3	

Programme		East Wales ERDF		Source: WEFO, 31/10/2017	
Priority	Lead Beneficiary	Operation Title	Total investment (£m)	EU Grant Commitment (£m)	
1	Cardiff University	Cardiff University Brain Research Imaging Centre II (CUBRIC II	16.2	4.6	
		FLEXIS East	9.8	5.6	
		Institute for Compound Semiconductor	32.7	13.1	
		Supercomputing Wales East Wales	6.7	3.7	
	Swansea University WG - Department for Economy, Science and Transport	ASTUTE East	8.0	4.0	
		Ser Cymru II (East Wales)	18.5	8.0	
		SMART Expertise (East Wales)	17.5	9.1	
		SMARTCymru (East Wales)	29.4	12.3	
		SMARTInnovation (East Wales)	7.6	3.8	
		1 Total	146.3	64.2	
2	Finance Wales Plc	Wales Business Fund (Supported by ERDF) EW 2.1 FI	22.3	9.9	
		Wales Business Fund (Supported by ERDF) EW 2.5 FI	12.7	5.5	
	Wales Co operative Centre Wales Council for Voluntary Action WG - Department for Economy, Science and Transport	Social Business Wales East Wales	2.2	1.1	
		Social Business Growth Fund EW	1.0	0.5	
		Entrepreneurship Support - Business Wales (East Wales)	10.3	6.2	
		SME Support - Business Wales (East Wales)	11.1	6.7	
		Superfast Broadband Business Exploitation East Wales	3.5	1.7	
		2 Total	63.2	31.6	
3	WAG The Economic Development Group within DEandT	Arbed 3 EW	7.1	3.6	
3 Total			7.1	3.6	
4	WG - Department for Economy, Science and Transport	Superfast Broadband Infill East Wales	14.2	7.1	
		Ultrafast Broadband East Wales	4.4	2.2	
4 Total			18.6	9.3	
5	Bridgend County Borough Council	South East Regional Engagement Team ERDF EW	0.1	0.0	
	Ceredigion County Council	Mid Wales Regional Engagement Team ERDF EW	0.1	0.0	
	Conwy County Borough Council	North Wales Regional Engagement Team ERDF EW	0.1	0.0	
	Wales Council for Voluntary Action	IB and 3-SET ERDF EW	0.6	0.3	
	WG - Department for Economy, Science and Transport	IB WG E and I TA Revenue EW	2.8	0.8	
	WAG DEandT WEFO	WEFO TA ERDF EW	3.4	1.7	
		5 Total	7.0	2.8	
Approved Total			242.2	111.4	

Programme	West Wales and the Valleys ESF	Source: WEFO, 31/10/2017
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Priority	Lead Beneficiary	Operation Title	Total investment (£m)	EU Grant Commitment (£m)
1	Conwy County Borough Council	OPUS (WWV)	5.9	4.8
	Neath Port Talbot County Borough Council	Workways II	9.1	7.5
	SOVA	Sova - Achieving Change through Employment -ACE	1.5	1.1
	Torfaen County Borough Council	Bridges2Work	11.0	8.5
	Wales Council for Voluntary Action	Active Inclusion Wales	15.1	11.6
	WG - Department for Education and Skills	ReACT III	45.7	33.9
	WG - Department for Health and Social Services	HWW - Out of Work Service WWV	8.9	6.7
		Together for a Healthy Working Wales (In-Work Service)	4.8	3.3
	WG - Department of Local Government and Communities	Communities4Work	38.4	24.6
		Parents, Childcare and Employment (PaCE)	6.8	4.8
1 Total			147.0	106.8
2	Bangor University	KESS II	36.0	25.9
	Chwarae Teg	Agile Nation 2 WWV	7.3	5.6
	Coleg Cambria	Skills for Employers and Employees WWV SO1	6.3	4.6
		Skills for Employers and Employees WWV SO2	4.3	3.1
	Coleg Y Cymoedd	Upskilling At Work SO1 WWV	4.1	2.9
		Upskilling At Work SO2 WWV	5.2	3.3
	Gower College Swansea	Skills for Industry 2 SO 2	8.9	6.2
		Skills for Industry 2 SO1	8.0	5.6
	Grwp Llandrillo-Menai	North Wales Business Academy Project (NWBA) WWV	2.7	2.0
	Swansea University	Leading Business Growth West Wales	4.0	2.7
		Materials and Manufacturing Academy	20.7	13.8
		METAL 2	1.5	1.1
	Torfaen County Borough Council	Working Skills for Adults II	5.3	3.8
	University of Wales Trinity Saint David	Growing Workforces Through Learning and Development (GWLAD)	3.1	2.0
	WG - Department for Education and Skills	Apprenticeships	175.5	103.1
		Apprenticeships Skills Enhancement Programme I	128.6	71.6
2 Total			421.6	257.2
3	Blaenau Gwent County Borough Council	Inspire 2 Achieve WWV	18.9	14.0
		Inspire 2 Work WWV	7.3	5.4
	Denbighshire County Borough Council	TRAC 11-24 West	13.1	9.0
	Engineering Education Scheme Wales	STEM Cymru 2	2.1	1.7
	Grwp Llandrillo-Menai	ADTRAC	6.8	5.1
	Higher Education Funding Council for Wales	Achieve through Work Experience	5.2	3.6
	Pembrokeshire County Council	Cynnydd	19.0	13.3
	Wales Council for Voluntary Action	Active Inclusion Youth	8.3	5.8
	WG - Department for Education and Skills	Jobs Growth Wales II West Wales	32.0	18.0
		Progress for Success (PfS)	6.4	4.2
		Traineeships	90.9	58.1
	WG - Department for Health and Social Services	HWW - Out of Work Services WWV 16-24	2.7	2.0
	WG - Department of Local Government and Communities	Communities for Work (WWV P3)	14.6	9.4
		Parents, Childcare and Employment (PaCE) P3 WWV	1.8	1.3
3 Total			229.1	150.8

Programme

West Wales and the Valleys ESF

Source: WEFO, 31/10/2017

Priority	Lead Beneficiary	Operation Title	Total investment (£m)	EU Grant Commitment (£m)
4	Bridgend County Borough Council	South East Regional Engagement Team ESF WWV	0.3	0.2
	Carmarthenshire County Council	Swansea Bay Regional Engagement Team ESF	0.5	0.3
	Ceredigion County Council	Mid Wales Regional Engagement Team ESF WWV	0.2	0.2
	Conwy County Borough Council	North Wales Regional Engagement Team ESF WWV	0.3	0.3
	Wales Council for Voluntary Action	IB and 3-SET ESF WWV	7.0	5.1
	WAG DEandT WEFO	WEFO TA ESF WWV	16.3	7.8
4 Total			24.6	13.8
Approved Total			822.3	528.6

Programme		East Wales ESF	Source: WEFO, 31/10/2017	
Priority	Lead Beneficiary	Operation Title	Total investment (£m)	EU Grant Commitment (£m)
1	Powys County Council	Workways Plus Powys	0.7	0.3
	SOVA	Sova EW ACE-CNC	1.1	0.6
	Wales Council for Voluntary Action	Active Inclusion Wales EW	6.1	3.0
	WG - Department for Health and Social Services	HWW - Out of Work Service - EW	4.3	2.2
	WG - Department of Local Government and Communities	Communities4Work (East Wales)	12.7	6.4
		Parents, Childcare and Employment (PaCE) (East Wales)	4.1	2.0
1 Total			29.1	14.5
2	Cardiff Metropolitan University	Leading Business Growth East Wales	4.1	2.4
	Chwarae Teg	Agile Nation 2 EW	3.0	2.4
	Coleg Cambria	Skills for Employers and Employees EW SO1	3.4	1.7
		Skills for Employers and Employees EW SO2	2.2	1.0
	Coleg Gwent	Upskilling at Work SO1 EW	3.9	1.9
		Upskilling at Work SO2 EW	5.7	2.8
	Grwp Llandrillo-Menai	North Wales Business Academy (NWBA) EW	1.7	0.8
	Welsh Contact Centre Forum Ltd	Welsh Financial Services Graduate Programme	5.9	2.5
	WG - Department for Education and Skills	Apprenticeships East Wales	93.5	15.9
		Apprenticeships Skills Enhancement East Wales Programme I	67.9	15.5
2 Total			191.4	46.9
3	Denbighshire County Borough Council	TRAC 11-24 East Wales	5.0	2.5
	Grwp Llandrillo-Menai	ADTRAC East Wales	3.6	1.8
	Higher Education Funding Council for Wales	Achieve through Work Experience East Wales	2.1	1.1
	Newport City Council	Inspire2Achieve EW	9.2	4.2
		Inspire2Work EW	2.8	1.4
	Powys County Council	Cynnydd (EW)	2.0	1.0
	Wales Council for Voluntary Action	Active Inclusion Youth East Wales	4.6	2.0
	WG - Department for Education and Skills	Jobs Growth Wales II East Wales	20.9	7.0
		Traineeships East Wales	65.1	17.5
	WG - Department for Health and Social Services	HWW - Out of Work Services EW 16 - 24	1.4	0.7
	WG - Department of Local Government and Communities	Communities for Work (EW P3)	4.8	2.4
		Parents, Childcare and Employment (PaCE) P3 EW	1.0	0.5
3 Total			122.6	42.0
4	Bridgend County Borough Council	South East Regional Engagement Team ESF EW	0.1	0.0
	Ceredigion County Council	Mid Wales Regional Engagement Team ESF EW	0.1	0.0
	Conwy County Borough Council	North Wales Regional Engagement Team ESF EW	0.1	0.0
	Wales Council for Voluntary Action	IB and 3-SET ESF EW	1.7	0.7
	WAG DEandT WEFO	WEFO TA ESF EW	3.7	1.8
4 Total			5.6	2.7
Approved Total			348.6	106.1

Programme			WGRC-RDP 2014-2020 - Socio Economic RDP Approved Projects		Source: WEFO, 31/10/2017
Scheme	Applicant	Project Name	RDP Approved Amount £	RDP Approved Amount €	
Co-Operation and Supply Chain Development Scheme	Four Cymru FBA Ltd	Wales Food Tourism Co-Operation and Supply Chain Development	£166,033.00	€201,130.22	
Co-Operation and Supply Chain Development Scheme	Hybu Cig Cymru – Meat Promotion Wales	Developing a Strategic Programme for the Red Meat Sector	£192,338.00	€232,995.76	
Co-Operation and Supply Chain Development Scheme	Menter a Busnes	Cywain - Supply Chain Integration	£1,619,916.00	€1,962,345.25	
Co-Operation and Supply Chain Development Scheme	Agriculture and Horticulture Development Board	Dairy Strategic Initiative	£357,505.00	€424,489.43	
Co-Operation and Supply Chain Development Scheme	Coleg Sir Gar	Animal Health Wales - Eradicating BVD in Wales	£270,002.00	€317,015.38	
Co-Operation and Supply Chain Development Scheme	Menter a Busnes	The Welsh Pig Project	£282,192.00	€331,327.93	
Co-Operation and Supply Chain Development Scheme	Sustrans	Development of the Walking and Cycling Network in Rural Wales	£372,718.00	€432,698.69	
Co-Operation and Supply Chain Development Scheme	Menter a Busnes	Integrated YFC Beef Scheme	£393,658.00	€457,008.52	
Co-Operation and Supply Chain Development Scheme	Cadwyn Clwyd	Smarter Energy	£316,339.00	€351,859.18	
Co-Operation and Supply Chain Development Scheme	Focus on Forestry First Ltd	Focus on Forestry First – The Future	£113,495.00	€126,238.81	
Co-Operation and Supply Chain Development Scheme	Bridgend County Borough Council	Resilient Economy – Local Supply Chains	£613,161.00	€722,939.34	
Co-Operation and Supply Chain Development Scheme	Federation of City Farms and Community Gardens	Tyfu Fyny - Growing Up	£665,043.00	€784,110.12	
Co-Operation and Supply Chain Development Scheme	Cotyledon Business and Managerment CIC	Taste Local - Blas Lleol	£309,436.00	€362,762.02	
Co-Operation and Supply Chain Development Scheme	Welsh Lamb and Beef Producers Ltd	The Collation of Data on the Use of Medicines on Welsh Farms	£109,000.00	€127,784.29	
Co-Operation and Supply Chain Development Scheme	Lantra	Tyfu Cymru – a Horticultural Manifesto for Wales	£413,877.00	€485,201.64	
Co-Operation and Supply Chain Development Scheme	Welsh Lamb and Beef Producers Ltd	Interactive IT for Farm Assessment and Animal Disease Testing	£413,639.00	€484,922.63	
Co-Operation and Supply Chain Development Scheme	WG - Department for Economy, Science and Transport	Regional Tourism Network and Marketing Support	£10,000,000.00	€11,723,329.43	
Co-Operation and Supply Chain Development Scheme	Aberystwyth University	Organic Development Wales - Datblygu Organig Cymru	£15,950.00	€18,703.10	
Co-Operation and Supply Chain Development Scheme	RCMA Market Garden Ltd	Riverside Market Garden - Dehydrated organic vegetable products	£127,300.00	€147,714.09	
Co-Operation and Supply Chain Development Scheme	Way Out Events Ltd	Discover delicious Wales	£572,447.00	€659,554.34	
Co-Operation and Supply Chain Development Scheme	Carmarthenshire County Council	West Wales LINC (Local Integrated Network Collaboration)	£1,796,777.00	€2,070,186.54	
Co-Operation and Supply Chain Development Scheme	Coleg Sir Gar	Development of slurry dewatering and nutrient enhancing system	£1,136,886.00	€1,309,882.13	
Co-Operation and Supply Chain Development Scheme	Glyndwr University	Horticulture Cluster	£615,601.00	€709,274.94	
Co-Operation and Supply Chain Development Scheme	Four Cymru FBA Ltd	Welsh Game Meat Supply Chain Development	£213,490.00	€242,629.84	
Co-Operation and Supply Chain Development Scheme	Coleg Sir Gar	AHW - eradicating BVD in Wales - phase 2	£9,945,807.00	€11,303,337.88	
Co-Operation and Supply Chain Development Scheme	Golygfa Gwydyr Ltd	Golygfa Gwydyr SMS	£232,478.00	€264,209.57	
Co-Operation and Supply Chain Development Scheme	Four Cymru FBA Ltd	Marchnad Lafur Cymraeg	£167,831.00	€190,738.72	
Co-Operation and Supply Chain Development Scheme	Montgomeryshire Wildlife Trust	A Pumlumon PES	£267,087.00	€303,542.45	
Co-Operation and Supply Chain Development Scheme	Brecon Beacons National Park Authority	Managing Resources Sustainably in the Black Mountains	£1,004,155.00	€1,141,214.91	
Co-Operation and Supply Chain Development Scheme	PLANED	Building Resilience In Catchments (BRICs)	£609,549.00	€692,748.04	
Co-Operation and Supply Chain Development Scheme	Sarpo Potatoes Ltd	Development of clusters of Sarpo potato growers in Wales	£136,950.00	€155,642.69	
Co-Operation and Supply Chain Development Scheme	Ireland Moor Conservation Limited	Powys Moorland Partnership	£600,000.00	€669,882.10	
Co-Operation and Supply Chain Development Scheme	Aberystwyth University	Torri Tir Newydd	£295,284.00	€329,675.78	
Co-Operation and Supply Chain Development Scheme	Community Transport Association	Connecting communities in Wales	£1,074,309.00	€1,199,433.95	
Co-Operation and Supply Chain Development Scheme	Cadwyn Clwyd	Natural flood risk management on the River Clwyd	£330,000.00	€357,739.09	
Co-Operation and Supply Chain Development Scheme	Community Energy Wales	Local Renewable Energy for Rural Wales	£270,150.00	€292,858.23	
Co-Operation and Supply Chain Development Scheme	Powys County Council	Home Grown Homes – Wales Timber Supply Chain Study	£1,511,544.00	€1,724,817.71	
Total		37 Project	£37,531,947.00	€43,311,944.73	
Food Business Investment Scheme	Easibake Foods Ltd	Easibake Process Improvement Plan	£150,000.00	€178,104.96	
Food Business Investment Scheme	J W and L J Hembrow	Mead Farm Foods	£95,562.00	€113,467.11	
Food Business Investment Scheme	The Burger Manufacturing Company Ltd	New Build Extension Factory	£1,451,923.00	€1,723,964.62	
Food Business Investment Scheme	Roberts of Port Dinorwic	Roberts 2016 Expansion Project	£420,561.00	€499,360.01	
Food Business Investment Scheme	The Welsh Sausage Co Ltd	Production of Gluten Free Meat Products	£136,218.00	€161,740.68	
Food Business Investment Scheme	Hilltop Honey Limited	Hilltop Honey Expansion	£239,794.00	€284,723.34	
Food Business Investment Scheme	Wrexham Lager Beer Company	Wrexham Lager Brewery Expansion	£566,891.00	€658,119.53	
Food Business Investment Scheme	Baraka Foods Ltd	Baraka Foods Ltd, Growth and Expansion 2016-2019	£268,000.00	€298,092.43	
Food Business Investment Scheme	Dairy Partners (Cymru Wales) Limited	Dragon2	£761,866.00	€847,412.27	
Food Business Investment Scheme	Bridgehead Food Partners	Cheese Production, Cutting and Packing Facility	£392,600.00	€462,889.82	
Food Business Investment Scheme	Ellis Eggs Ltd	Packing Centre Expansion	£1,643,184.00	€1,937,374.29	
Food Business Investment Scheme	Puffin Produce Limited	Sustainability and Expansion Project	£4,800,000.00	€5,659,376.29	
Food Business Investment Scheme	Tomlinsons Dairies Ltd	Growth Project	£5,000,000.00	€5,861,664.71	
Food Business Investment Scheme	Tiny Rebel Brewing Company	Purchase of Specialist Brewing Equipment	£284,774.00	€333,849.94	
Food Business Investment Scheme	The Authentic Curry Company Ltd	Extension to ACC Manufacturing and Storage Facilities	£155,414.40	€182,197.42	

Programme			Source: WEFO, 31/10/2017	
WGRC-RDP 2014-2020 - Socio Economic RDP Approved Projects				
Scheme	Applicant	Project Name	RDP Approved Amount £	RDP Approved Amount €
Food Business Investment Scheme	Harlech Food Service Limited	Bwydlyn Butchery Expansion	£345,432.00	€404,961.31
Food Business Investment Scheme	Iman Casing and Foods UK Ltd	Relocation and Expansion of Iman Casing	£347,691.00	€409,361.28
Food Business Investment Scheme	Cig Calon Cymru 2010 CYF	Cig Calon Cymru Development	£782,602.00	€921,412.85
Food Business Investment Scheme	Beacon Foods Ltd	Beacon Foods Expansion Project	£2,128,076.00	€2,495,398.69
Food Business Investment Scheme	Plas Farm Limited	Plas Farm - Increase in production capacity and range	£224,000.00	€262,664.17
Food Business Investment Scheme	Dyfi Distillery Ltd	Dyfi Distillery Ltd. (Start Up)	£9,774.00	€11,461.07
Food Business Investment Scheme	AJT Powell	Processing Wern eggs	£98,446.00	€115,438.56
Food Business Investment Scheme	Maelor Foods Limited	Chicken Slaughtering and Processing Facility	£3,149,678.00	€3,654,766.77
Food Business Investment Scheme	Franks Ice Cream Ltd	Expansion of Capel Hendre Production Facility	£435,200.00	€515,517.65
Food Business Investment Scheme	Capestone Organic Poultry Limited	New Poultry and Red Meat Processing Factory	£1,635,880.00	€1,884,806.38
Food Business Investment Scheme	DJW Beamond	Efficient Egg Processing Facility	£173,472.00	€197,149.68
Food Business Investment Scheme	St Beunos Dairy Ltd	New product range	£2,039,817.00	€2,277,394.83
Food Business Investment Scheme	Pant-Du Cyf	Sudd afal a seidr	£106,472.00	€118,872.81
Food Business Investment Scheme	GRH Food Company Ltd	Relocation of Manufacturing Premises	£1,785,114.00	€1,935,166.84
Food Business Investment Scheme	Alexander CG Ellis TA Border Honey	Border Honey Bulk Honey Processing Facility	£29,551.00	€33,720.55
Food Business Investment Scheme	Tenby Brewing Company Ltd	Purchase of larger site and specialist equipment for expansion	£133,552.00	€152,395.73
Total		31 Project	£29,791,544.40	€34,592,826.56
Knowledge Transfer and Innovation Scheme	Ceredigion County Council	Horeb - Project HELIX - Food Centre Wales	£3,789,218.00	€4,449,005.52
Knowledge Transfer and Innovation Scheme	Cardiff Metropolitan University	Cardiff Met - Project HELIX - Food Industry Centre	£11,875,586.00	€13,786,698.09
Knowledge Transfer and Innovation Scheme	Menter a Busnes	Lot 1 Vocational Training - MAB	£883,817.00	€1,018,304.47
Knowledge Transfer and Innovation Scheme	Lantra	Lot 2 Vocational Training - Lantra	£2,845,076.00	€3,278,001.68
Knowledge Transfer and Innovation Scheme	Menter a Busnes	Lot 1 Supporting activities and information actions - MAB	£18,351,961.00	€21,144,517.41
Knowledge Transfer and Innovation Scheme	Menter a Busnes	Lot 1 Supporting farm, forestry management and exchanges - MAB	£305,300.00	€351,756.48
Knowledge Transfer and Innovation Scheme	National Botanic Garden of Wales	Tyfu'r Dyfodol - Growing the Future	£2,300,724.00	€2,625,348.32
Total		7 Project	£40,351,682.00	€46,653,631.97
LEADER Local Development Fund	Powys County Council	LEADER Powys Implementation Costs	£3,430,470.00	€4,587,723.17
LEADER Local Development Fund	Vale of Glamorgan Council	LEADER Vale of Glamorgan Implementation Costs	£1,296,748.00	€1,734,199.93
LEADER Local Development Fund	Caerphilly County Borough Council	LEADER Caerphilly and Blaenau Gwent Implementation	£1,963,847.00	€2,626,341.69
LEADER Local Development Fund	Neath Port Talbot County Borough Council	LEADER Neath Implementation Costs	£1,609,134.00	€2,151,967.90
LEADER Local Development Fund	Caerphilly County Borough Council	LEADER Caerphilly and Blaenau Gwent Running Costs	£264,300.00	€353,460.38
LEADER Local Development Fund	Vale of Glamorgan Council	LEADER Vale of Glamorgan Running Costs	£182,000.00	€243,396.86
LEADER Local Development Fund	City and County of Swansea	LEADER Swansea Implementation	£1,055,500.00	€1,411,568.04
LEADER Local Development Fund	Caerphilly County Borough Council	LEADER Caerphilly and Blaenau Gwent Animation Costs	£396,450.00	€530,190.57
LEADER Local Development Fund	Merthyr Tydfil County Borough Council	LEADER Merthyr Implementation	£817,408.00	€1,093,156.80
LEADER Local Development Fund	Torfaen County Borough Council	LEADER Torfaen Implementation	£569,619.00	€761,777.33
LEADER Local Development Fund	Carmarthenshire County Council	LEADER Carmarthenshire Implementation Costs	£2,796,896.00	€3,740,415.91
LEADER Local Development Fund	Carmarthenshire County Council	LEADER Carmarthenshire Running Costs	£434,253.00	€580,746.24
LEADER Local Development Fund	Merthyr Tydfil County Borough Council	LEADER Merthyr Running Costs	£119,654.00	€160,018.72
LEADER Local Development Fund	Carmarthenshire County Council	LEADER Carmarthenshire Animation Costs	£651,379.00	€871,118.69
LEADER Local Development Fund	Merthyr Tydfil County Borough Council	LEADER Merthyr Animation Costs	£179,482.00	€240,029.42
LEADER Local Development Fund	Bridgend County Borough Council	LEADER Bridgend Implementation	£1,273,049.00	€1,702,506.19
LEADER Local Development Fund	Ceredigion County Council	LEADER Ceredigion Implementation Costs	£2,121,978.00	€2,837,817.45
LEADER Local Development Fund	City and County of Swansea	LEADER Swansea Running Costs	£145,400.00	€194,450.02
LEADER Local Development Fund	City and County of Swansea	LEADER Swansea Animation	£218,100.00	€291,675.03
LEADER Local Development Fund	Conwy County Borough Council	LEADER Conwy Running Costs	£174,700.00	€233,634.24
LEADER Local Development Fund	Conwy County Borough Council	LEADER Conwy Implementation Costs	£992,513.00	€1,327,332.66
LEADER Local Development Fund	Cadwyn Clwyd	LEADER Wrexham Implementation Costs	£1,521,081.00	€2,034,210.63
LEADER Local Development Fund	Cadwyn Clwyd	LEADER Denbighshire Implementation Costs	£1,270,496.00	€1,699,091.94
LEADER Local Development Fund	Conwy County Borough Council	LEADER Conwy Animation Costs	£262,050.00	€350,451.35
LEADER Local Development Fund	Cadwyn Clwyd	LEADER Flintshire Implementation Costs	£1,724,816.00	€2,306,674.69
LEADER Local Development Fund	Bridgend County Borough Council	LEADER Bridgend Cooperation	£141,449.00	€189,166.17
LEADER Local Development Fund	Merthyr Tydfil County Borough Council	LEADER Merthyr Cooperation	£80,000.00	€106,987.63
LEADER Local Development Fund	Conwy County Borough Council	LEADER Conwy Cooperation	£317,732.00	€424,917.42

Programme			Source: WEFO, 31/10/2017	
WGRC-RDP 2014-2020 - Socio Economic RDP Approved Projects				
Scheme	Applicant	Project Name	RDP Approved Amount £	RDP Approved Amount €
LEADER Local Development Fund	Caerphilly County Borough Council	LEADER Caerphilly and Blaenau Gwent Cooperation	£18,397.00	€24,603.14
LEADER Local Development Fund	Carmarthenshire County Council	LEADER Carmarthenshire Cooperation	£460,000.00	€615,178.87
LEADER Local Development Fund	City and County of Swansea	LEADER Swansea Cooperation	£35,000.00	€46,807.09
LEADER Local Development Fund	Vale of Glamorgan Council	LEADER Vale of Glamorgan Animation Costs	£273,000.00	€385,321.10
LEADER Local Development Fund	Vale of Glamorgan Council	LEADER Vale of Glamorgan Cooperation	£68,249.00	€96,328.86
LEADER Local Development Fund	Powys County Council	LEADER Powys Running Costs	£508,699.00	€725,676.18
LEADER Local Development Fund	Powys County Council	LEADER Powys Animation Costs	£764,829.00	€1,091,054.21
LEADER Local Development Fund	Bridgend County Borough Council	LEADER Bridgend Running Costs	£188,600.00	€269,044.22
LEADER Local Development Fund	Bridgend County Borough Council	LEADER Bridgend Animation Costs	£282,900.00	€403,566.33
LEADER Local Development Fund	Neath Port Talbot County Borough Council	LEADER Neath Animation Costs	£266,599.00	€380,312.41
LEADER Local Development Fund	Neath Port Talbot County Borough Council	LEADER Neath Running Costs	£195,572.00	€278,990.01
LEADER Local Development Fund	Cadwyn Clwyd	LEADER Denbighshire Running Costs	£188,100.00	€268,330.96
LEADER Local Development Fund	Cadwyn Clwyd	LEADER Wrexham Running Costs	£225,200.00	€321,255.35
LEADER Local Development Fund	Cadwyn Clwyd	LEADER Flintshire Running Costs	£246,300.00	€351,355.21
LEADER Local Development Fund	Cadwyn Clwyd	LEADER Denbighshire Animation Costs	£282,150.00	€402,496.43
LEADER Local Development Fund	Cadwyn Clwyd	LEADER Wrexham Animation Costs	£337,800.00	€481,883.02
LEADER Local Development Fund	Cadwyn Clwyd	LEADER Flintshire Animation Costs	£369,450.00	€527,032.81
LEADER Local Development Fund	Cadwyn Clwyd	LEADER Denbighshire Cooperation	£140,254.00	€200,077.03
LEADER Local Development Fund	Cadwyn Clwyd	LEADER Flintshire Cooperation	£122,434.00	€174,656.21
LEADER Local Development Fund	Cadwyn Clwyd	LEADER Wrexham Cooperation	£167,918.00	€239,540.66
LEADER Local Development Fund	Neath Port Talbot County Borough Council	LEADER Neath Cooperation	£84,691.00	€120,814.55
LEADER Local Development Fund	Powys County Council	LEADER Powys Cooperation	£400,000.00	€570,613.41
LEADER Local Development Fund	Menter Mon	LEADER Gwynedd Implementation Costs	£2,931,249.00	€4,181,524.96
LEADER Local Development Fund	Menter Mon	LEADER Gwynedd Running Cost	£433,500.00	€618,402.28
LEADER Local Development Fund	Menter Mon	LEADER Gwynedd Animation Costs	£650,250.00	€927,603.42
LEADER Local Development Fund	Menter Mon	LEADER Gwynedd Cooperation	£319,119.00	€455,233.95
LEADER Local Development Fund	Merthyr Tydfil County Borough Council	LEADER Merthyr Preparatory	£14,454.00	€20,619.12
LEADER Local Development Fund	Ceredigion County Council	LEADER Ceredigion Running Costs	£332,860.00	€474,835.95
LEADER Local Development Fund	Ceredigion County Council	LEADER Ceredigion Animation	£499,289.00	€712,252.50
LEADER Local Development Fund	Menter Mon	LEADER Anglesey Running Costs	£278,100.00	€396,718.97
LEADER Local Development Fund	Menter Mon	LEADER Anglesey Implementation Costs	£1,833,750.00	€2,615,905.85
LEADER Local Development Fund	Menter Mon	LEADER Anglesey LAG Animation Costs	£417,150.00	€595,078.46
LEADER Local Development Fund	Menter Mon	LEADER Anglesey Cooperation	£315,000.00	€449,358.06
LEADER Local Development Fund	Ceredigion County Council	LEADER Ceredigion Cooperation	£374,467.00	€534,189.73
LEADER Local Development Fund	Ceredigion County Council	LEADER Ceredigion Preparatory	£28,403.00	€40,517.83
LEADER Local Development Fund	Monmouthshire County Council	LEADER Monmouth and Newport Running Costs	£279,000.00	€381,095.48
LEADER Local Development Fund	Monmouthshire County Council	LEADER Monmouth and Newport Animation Costs	£418,500.00	€571,643.22
LEADER Local Development Fund	Torfaen County Borough Council	LEADER Torfaen Running Costs	£99,500.00	€135,910.39
LEADER Local Development Fund	Torfaen County Borough Council	LEADER Torfaen Animation	£149,250.00	€203,865.59
LEADER Local Development Fund	Torfaen County Borough Council	LEADER Torfaen Cooperation	£150,738.00	€205,898.10
LEADER Local Development Fund	Carmarthenshire County Council	LEADER Carmarthenshire Preparatory	£9,471.00	€12,936.76
LEADER Local Development Fund	PLANED	LEADER Pembrokeshire Running Cost	£442,500.00	€518,878.99
LEADER Local Development Fund	PLANED	LEADER Pembrokeshire Animation Costs	£663,750.00	€778,318.48
LEADER Local Development Fund	PLANED	LEADER Pembrokeshire Cooperation	£134,893.00	€158,176.59
LEADER Local Development Fund	Monmouthshire County Council	LEADER Monmouth and Newport Implementation Costs	£1,972,500.00	€2,288,814.11
LEADER Local Development Fund	Monmouthshire County Council	LEADER Monmouth and Newport Cooperation	£120,000.00	€139,243.44
LEADER Local Development Fund	PLANED	LEADER Pembrokeshire Implementation Costs	£3,183,855.00	€3,618,428.23
Total		75 Project	£47,688,194.00	€63,795,415.62
Rural Business Advisory Scheme	Menter a Busnes	Lot 3 Supporting the use of advisory services - MAB	£4,968,197.00	€5,724,190.89
Rural Business Advisory Scheme	Menter a Busnes	Lot 3 Supporting the use of advisory services - Food	£3,303.00	€3,805.61
Rural Business Advisory Scheme	Menter a Busnes	Lot 3 Support the setting up of Advisory Services - MAB	£333,263.00	€383,974.51
Rural Business Advisory Scheme	Natural Resources Wales	Natural Resources Wales Forest Management Plan Verification	£1,430,487.00	€1,625,738.15
Total		4 Project	£6,735,250.00	€7,737,709.16

Programme	WGRC-RDP 2014-2020 - Socio Economic RDP Approved Projects		Source: WEFO, 31/10/2017	
Scheme	Applicant	Project Name	RDP Approved Amount £	RDP Approved Amount €
Rural Business Investment Scheme	WG - Department for Economy, Science and Transport	TISS – Tourism Investment Support Scheme – Rural	£10,000,000.00	€11,726,078.80
Rural Business Investment Scheme	WG - Rural Programmes Delivery	Rural Business Investment Scheme - Food	£3,508,765.00	€3,917,431.45
Total		2 Project	£13,508,765.00	€15,643,510.25
Rural Community Development Fund	Cwmni Cymunedol Cletwr	Cletwr community hub, shop and cafe	£95,248.00	€112,300.89
Rural Community Development Fund	WG - Department for Economy, Science and Transport	TISS – Tourism Amenity Investment Support Scheme – Rural	£4,000,000.00	€4,709,483.72
Rural Community Development Fund	Urdd Gobaith Cymru	Gwersyll Yr Urdd Llangrannog - Ardal Antur - Adventure Zone	£119,982.00	€141,263.32
Rural Community Development Fund	Amelia Methodist Trust Company Ltd	Recording and Multimedia Studio at Amelia Trust Farm	£100,000.00	€118,455.34
Rural Community Development Fund	SWIMNARBERTH CIO	Swimnarberth	£128,000.00	€151,622.84
Rural Community Development Fund	Llangollen Railway Trust Ltd.	Corwen Central Station Platform Project	£128,000.00	€151,622.84
Rural Community Development Fund	Neuadd Dyfi	Resource Efficiency Project	£125,600.00	€148,779.91
Rural Community Development Fund	Ferryside Social Enterprise Group	The rebirth of the Old Education Centre	£128,000.00	€151,622.84
Rural Community Development Fund	Pembrokeshire Association PACTO	Pembrokeshire Rural Community Transport Enhancement Project	£114,588.00	€135,735.61
Rural Community Development Fund	Preseli Rural Transport Association Ltd	Rural Community Transport Enhancement Project	£28,904.00	€33,302.22
Rural Community Development Fund	Breaking Barriers Community Arts	Broadcasting Blaenau Gwent	£4,260.00	€4,908.23
Rural Community Development Fund	Green links Community Interest Company	Glan y Mor Rural Initiative and Community Hub	£126,880.00	€146,186.90
Rural Community Development Fund	Ceredigion County Council	Lighting Up the Past	£102,255.00	€117,814.80
Rural Community Development Fund	DANSA Limited	Bws y Cwm	£128,000.00	€147,477.33
Rural Community Development Fund	Amman Valley Trotting Club LTD	A Community Events Barn for Tairgwaith	£59,489.00	€68,541.24
Rural Community Development Fund	Carmarthenshire County Council	Carmarthen Wetlands and Western Gateway	£128,000.00	€147,477.33
Rural Community Development Fund	Small World Theatre Ltd	Small World Theatre extension and facilities improvement	£126,534.00	€145,788.25
Rural Community Development Fund	Powys County Council	Llandrindod Wells Lake Park Regeneration Project	£126,400.00	€145,633.86
Rural Community Development Fund	Wild Elements CIC	Infrastructure Development for Outdoor Education in the NW	£56,340.00	€64,030.00
Rural Community Development Fund	Gwent Wildlife Trust	Grannys Wood Ebbw Fach Trail Completion	£58,751.00	€66,770.09
Rural Community Development Fund	Caerphilly County Borough Council	Storom Celf – The storm of the art	£84,316.00	€95,824.53
Rural Community Development Fund	Clarbeston Road Association Football Club	Infrastructure Provision for Sports Field	£107,454.00	€122,120.70
Rural Community Development Fund	Llandysul Paddlers Canoe Centre Ltd	Blue Shed Development Phase 2	£128,000.00	€145,471.08
Rural Community Development Fund	Siop Griffiths Cyf	Siop Griffiths	£122,945.00	€139,726.11
Rural Community Development Fund	Carmarthenshire County Council	Jackson’s Lane Square Development (Phase 1)	£128,000.00	€145,471.08
Rural Community Development Fund	Monmouthshire County Council	Llanover Ward village hall training hubs	£55,680.00	€63,279.92
Rural Community Development Fund	National Trust	Freshwater West Activity Hub	£95,558.00	€108,600.98
Rural Community Development Fund	PLANED	Regional Hub for Tackling Poverty	£127,990.00	€145,459.71
Rural Community Development Fund	Ogmore by Sea Village Hall Association	New Village Hall for Ogmore by Sea	£128,000.00	€145,471.08
Rural Community Development Fund	Cyngor ar Bopeth Gwynedd and De Ynys Môn CAB	Re-development of Pwllheli Advice Centre - Ground Floor	£89,880.00	€102,147.97
Rural Community Development Fund	Cyngor ar Bopeth Gwynedd and De Ynys Môn CAB	Re-development of Pwllheli Advice Centre - First Floor	£84,998.00	€96,599.61
Rural Community Development Fund	Hay Castle Trust Ltd	Hay Castle Project	£92,000.00	€104,557.34
Rural Community Development Fund	DANSA Limited	Rural Links	£100,000.00	€113,649.28
Rural Community Development Fund	Anglesey Agricultural Society	Anglesey Showground Enhancement Programme	£80,000.00	€90,919.42
Rural Community Development Fund	Clwb Peldroed Penmachno Ltd	Penmachno Community Field	£45,040.00	€51,187.63
Rural Community Development Fund	The Cowbridge Exchange Limited	The Exchange, Cowbridge – Phase 1	£128,000.00	€145,471.08
Rural Community Development Fund	National Botanic Garden of Wales	Middleton Discovering a Sense of Place	£128,000.00	€142,908.18
Rural Community Development Fund	Trelogan Community Association Ltd	Trelogan Community Centre (HUB)	£124,542.00	€139,047.43
Rural Community Development Fund	Carmarthenshire County Council	Towy Valley Cycleway	£128,000.00	€142,908.18
Rural Community Development Fund	Llantwit Major Town Council	Improvement to footpath, Recreation Ground, Llantwit Major	£14,680.00	€16,389.78
Rural Community Development Fund	Cwm Harry Land Trust Limited	OURS - One-planet Upcycling and Repair-café Skillshop	£94,682.00	€105,709.63
Rural Community Development Fund	Tywi Gateway Trust	Tywi Gateway Project	£128,000.00	€142,908.18
Rural Community Development Fund	Eden Education Centre	Eden Education Centre - 3D Printer	£20,268.00	€22,628.62
Rural Community Development Fund	Llety Arall Cyf	Llety Arall	£128,000.00	€142,908.18
Rural Community Development Fund	University of Wales Trinity Saint David	Canolfan S4C - Yr Egin - Digital Performance Lab	£125,382.00	€139,985.26
Rural Community Development Fund	Cwmaman Town Council	Cwmaman Community Centre Development	£67,287.00	€75,123.93
Rural Community Development Fund	Cardigan Building Preservation Trust	Cardigan Markethall Restoration	£127,740.00	€138,477.55
Rural Community Development Fund	Torfaen County Borough Council	YETI	£17,665.00	€19,149.88
Rural Community Development Fund	Vale of Glamorgan Council	Digital Highway in Sheltered Accommodation	£25,203.00	€27,321.51
Rural Community Development Fund	Cyngor Gwynedd Council	Digital Gwynedd access for all	£88,800.00	€96,264.34

Programme			Source: WEFO, 31/10/2017	
WGRC-RDP 2014-2020 - Socio Economic RDP Approved Projects				
Scheme	Applicant	Project Name	RDP Approved Amount £	RDP Approved Amount €
Rural Community Development Fund	Caerphilly County Borough Council	Navigation Colliery - Site Regeneration Study	£25,000.00	€28,527.41
Rural Community Development Fund	Canal And River Trust	Llangollen Information Hub	£29,606.00	€33,783.31
Rural Community Development Fund	Neuadd Goffa Llanfairtalhaiarn Memorial Hall	Neuadd Goffa - Energy Efficiency and Internet Video Project	£65,280.00	€74,490.79
Rural Community Development Fund	Neuadd Bentref Llanddona Village Hall	Yr Hen Ysgol Llanddona - Calon y Pentref	£128,000.00	€146,060.36
Total		54 Project	£8,949,227.00	€10,359,367.60
Sustainable Production Grant	HC, FM and IC Williams	Investment in a Broiler Unit and Alterations to Sheep Housing	£308,086.00	€373,211.39
Sustainable Production Grant	Robert Pryce-Jones	Robert Pryce-Jones, Buttington Old Hall	£191,915.00	€213,464.21
Sustainable Production Grant	Penllyn Estate Farm	New Grain Drying And Storage Facility	£237,531.00	€264,202.21
Sustainable Production Grant	RT and M Roberts	Achieving Robustness Through Robotics	£200,000.00	€222,457.04
Sustainable Production Grant	T.E. Lewis and Son	Cattle management and manure storage improvements at Abergwenlas	£66,207.00	€73,641.07
Sustainable Production Grant	W L and A Windsor and Son	Fforest Farm Sustainable Dairy Development	£204,896.00	€241,579.91
Sustainable Production Grant	D Roberts	Buildings facilities improvements and adoption of new technology	£185,519.00	€217,490.04
Sustainable Production Grant	Mr DR Morris and Mrs SLE Jones-Morris	Glancarrog Dairy Development	£241,617.00	€283,322.00
Sustainable Production Grant	LJ and AL Jones	Penlan Farm Development	£112,695.00	€132,147.05
Sustainable Production Grant	AR and ER Jones	Aled Jones, Hendy	£400,000.00	€469,043.15
Sustainable Production Grant	M and M G Parry	Improving the Welfare of Organic Cattle and Sheep	£30,096.00	€35,290.81
Sustainable Production Grant	RO And R Parry	Investment in new poultry enterprise and improvements	£400,000.00	€469,043.15
Sustainable Production Grant	M and R Pritchard and Sons	Improve Farm Buildings Complex	£103,351.00	€119,924.58
Sustainable Production Grant	WO HM and EO Griffith	Improvement in cattle housing and slurry storage facilities	£99,400.00	€115,339.99
Sustainable Production Grant	Tomos Evans	Converting Tyddyn Cae from Beef and Sheep Farm to Dairy	£260,340.00	€308,386.64
Sustainable Production Grant	Rees and Jones	Updating Dairy Enterprise Facilities	£132,692.00	€157,180.76
Sustainable Production Grant	Ieuan Williams ai Fab	Investment and improvements to existing farm facilities	£188,392.00	€223,160.39
Sustainable Production Grant	W D Bowen	Great Cantal Farm Development	£399,980.00	€460,843.62
Sustainable Production Grant	R C JONES	Improvement in calf housing and feed storage	£50,784.00	€58,511.63
Sustainable Production Grant	AV and OE Roberts	Improvements to Cattle Facilities and Grassland	£70,682.00	€81,437.44
Sustainable Production Grant	Wallace Bebb Farms Ltd	Bebb Farms poultry farm redevelopment	£387,178.00	€440,025.00
Sustainable Production Grant	RS Taylor and Son	Bryn Eithin Farm	£108,961.00	€123,833.39
Sustainable Production Grant	RJ Scale and Co	Upper Haythog Farm Development	£158,047.00	€179,619.27
Sustainable Production Grant	DJW Beamond	Gorn Farm Resilient Sustainable Future	£400,000.00	€454,597.11
Sustainable Production Grant	D A Pugh and Son	Oakview - Development Project	£174,231.00	€198,012.27
Sustainable Production Grant	JSL Jones Ltd	Stephen Jones, Moreton Farm	£80,654.00	€91,662.69
Sustainable Production Grant	B.Williams and Company	Redevelopment of dairy infrastructure at Bayliau	£129,556.00	€147,239.46
Sustainable Production Grant	E A Thomas	Creafol Beef and Sheep Production Unit	£193,640.00	€220,070.46
Sustainable Production Grant	Messrs E Reader and Sons	Sustainable Development at Goldsland Farm	£207,804.00	€236,167.75
Sustainable Production Grant	J and E Jones and Son	Facilities improvement at Lower Hall	£166,300.00	€188,998.75
Sustainable Production Grant	D J Thomas and Co	Improving milk production efficiency at Neuaddlwyd	£269,116.00	€305,848.39
Sustainable Production Grant	WEJ Watson	Cwmgilla Goat Dairy Development	£146,328.00	€166,300.72
Sustainable Production Grant	Ellis Partnership	Farm Development Business Plan	£71,908.00	€81,722.92
Sustainable Production Grant	D and H Thomas	Investment improvements to existing facilities and machinery	£68,446.00	€77,788.39
Sustainable Production Grant	T Williams and Son	Robin Williams Fforest Farm	£105,870.00	€120,320.49
Sustainable Production Grant	Coope and Richards	Invest in a 6,000 free range hen enterprise	£100,226.00	€113,906.13
Sustainable Production Grant	RJ and CE Thomas	New milking parlour, handling system and collecting yard	£126,871.00	€144,187.98
Sustainable Production Grant	WA and ME Davies Cyf	Parlwr Godro, Tanc Slyri, System Slyri Esgud Lusg	£170,612.00	€193,899.31
Sustainable Production Grant	JM,LMJ,JBW Wheeler	Clyngwyn Investment Proposal	£48,733.00	€55,384.70
Sustainable Production Grant	G and M and R Davies	Hafodarthan Infrastructure Improvements	£37,368.00	€41,720.26
Sustainable Production Grant	G R Isacc and Son	Improving Production Infrastructure and Sheep Handling	£68,000.00	€75,919.97
Sustainable Production Grant	G B Jones Ltd	Fron Bella Investment Project	£400,000.00	€446,588.07
Sustainable Production Grant	JD MEP Williams	Williams - cattle housing and slurry storage facilities	£59,694.00	€66,646.57
Sustainable Production Grant	Beechwood Farms Limited	Moor Farm Development Plan	£181,260.00	€202,371.38
Sustainable Production Grant	JM and M Pari	Improvement in cattle housing, silage and slurry	£93,440.00	€104,322.97
Sustainable Production Grant	JR LLOYD and Son	Lower House Contract Broiler Breeder Egg production	£342,457.00	€382,343.02
Sustainable Production Grant	TR and E Parry	Extending farm facilities	£137,754.00	€149,333.30
Sustainable Production Grant	TV Hughes and Co	New 32,000 Poultry Layer unit	£389,218.00	€421,934.83

Programme			WGRC-RDP 2014-2020 - Socio Economic RDP Approved Projects		Source: WEFO, 31/10/2017
Scheme	Applicant	Project Name	RDP Approved Amount £	RDP Approved Amount €	
Sustainable Production Grant	BLL and AM Jones	Improvement in cattle housing, handling and slurry storage	£48,130.00	€54,920.98	
Sustainable Production Grant	TCD, CB and DE Jones	Fulfilling the potential for milk production and animal welfare	£356,556.00	€406,864.84	
Total		50 Project	£9,112,541.00	€10,412,228.43	
Technical Assistance	WG - Rural Programmes Delivery	TA - RDP Monitoring and Evaluation 2014-2020	£6,001,529.00	€7,076,023.11	
Technical Assistance	WG - Rural Programmes Delivery	TA - Business Improvements	£3,557,023.00	€4,170,015.24	
Technical Assistance	WG - Rural Programmes Delivery	TA - Technical Appraisal, Analysis and Inspection	£1,169,394.00	€1,376,810.50	
Technical Assistance	WG - Rural Programmes Delivery	Glastir Implementation - 2014-2020	£3,394,860.00	€3,980,839.59	
Technical Assistance	WG - Rural Programmes Delivery	TA - RDP On the Spot Checks	£697,103.00	€808,891.85	
Technical Assistance	Natural Resources Wales	NRW - TA - Support Woodland Management Planning	£2,146,560.00	€2,439,549.95	
Total		6 Project	£16,966,469.00	€19,852,130.24	
Timber Business Investment Scheme	Powys Forest Horses	Coed Mitchen Thinning a small welsh woodland	£4,285.00	€4,766.14	
Timber Business Investment Scheme	Mid Wales Harvesting Ltd	Specialist built timber extraction equipment	£143,500.00	€169,983.42	
Timber Business Investment Scheme	E B Davies Timber Ltd	Skyline Timber Extraction	£74,990.00	€88,829.66	
Timber Business Investment Scheme	Plas Tirion Timber	Plas Tirion Timber	£19,077.00	€21,979.88	
Timber Business Investment Scheme	Steve Lloyd Timber	Nant Bele Timber Project	£348,761.20	€396,364.59	
Timber Business Investment Scheme	Archenfield Tree Services	Regeneration of Unmanaged Woods and Woodfuel Business	£31,252.00	€34,891.93	
Timber Business Investment Scheme	New Heights Firewood Ltd	New Heights Forest Business Expansion	£11,695.00	€13,057.12	
Timber Business Investment Scheme	Waters Harvesting	Waters Harvesting - Low Impact Timber Harvesting	£316,000.00	€352,804.57	
Timber Business Investment Scheme	Mr Jim Ralph and Mr Phil Morgan	Managing and monitoring irregular forestry	£15,508.00	€17,314.22	
Total		9 Project	£965,068.20	€1,099,991.53	

Table 1: West Wales and the Valleys ERDF Programme: Performance framework indicators

Priority	Indicator	Final target to end 2023	Forecast to end 2023 ³	Share of 2023 target forecast	Milestone target to end 2018	Forecast to end 2018 ³	Share of 2018 target forecast	Achieved to date	Share of 2023 target achieved	Share of 2018 target achieved
1	Eligible Expenditure (€M) ¹	452	420	93%	115	128	>100%	28	6%	24%
1	Number of enterprises receiving non-financial support ²	3,750	855	23%	1,163	413	36%	175	5%	15%
2	Eligible Expenditure (€M) ¹	333	323	97%	85	201	>100%	108	33%	>100
2	Number of enterprises receiving non-financial support ²	17,375	16,223	93%	7,645	10,201	>100%	1,633	9%	21%
3	Eligible Expenditure (€M) ¹	246	93	38%	63	33	52%	11	5%	18%
3	Energy support site preparation schemes	2	2	100%	1	2	>100%	0	0%	0%
3	Number of renewable energy prototypes tested	8	3	38%	n/a	n/a	n/a	0	0%	n/a
3	Number of households with improved energy consumption classification ²	5,500	3,060	56%	2,750	0	0%	0	0%	0%
4	Eligible Expenditure (€M) ¹	764	537	70%	195	118	60%	40	5%	21%
4	Percentage of the priority financial allocation accounted by contractual agreements to deliver infrastructure works	n/a	>100	n/a	35	52	>100	9	n/a	26%
4	Gross passenger kilometres on public transport ²	400,000,000	1,790,041	0%	n/a	n/a	n/a	0	0%	n/a
4	Number of projects submitted to the Managing authority having undergone agreed prioritisation process	5	55	>100%	3	35	>100%	10	>100%	>100%
4	Land developed (Ha)	50	103	>100%	n/a	n/a	n/a	0	0%	n/a

Source: WEFO, 31/10/2017

¹ Eligible Expenditure forecasts are conservative and based on current operation forecast to June 2018 and adjusted for current variance to profile. This will allow enough time for submitted claims to be verified. All Expenditure targets will be adjusted in modification.

² Indicator / target will be changed in the upcoming modification.

³ Forecasts are based on data from currently approved projects and assumes operations will deliver to profile.

Table 2: East Wales ERDF Programme: Performance framework indicators

Priority	Indicator	Final target to end 2023	Forecast to end 2023 ³	Share of 2023 target forecast	Milestone target to end 2018	Forecast to end 2018 ³	Share of 2018 target forecast	Achieved to date	Share of 2023 target achieved	Share of 2018 target achieved
1	Eligible Expenditure (€M) ¹	178	171	96%	46	52	>100%	23	13%	51%
1	Number of enterprises receiving non-financial support ²	2,245	304	14%	629	99	16%	48	2%	8%
2	Eligible Expenditure (€M) ¹	80	74	93%	20	52	>100%	46	57%	>100%
2	Number of enterprises receiving non-financial support ²	6,420	9,264	>100%	1,798	5,775	>100%	867	14%	48%
3	Eligible Expenditure (€M) ¹	45	8	19%	11	0	0%	0	0%	0%
3	Number of households with improved energy consumption classification ²	4,200	765	18%	2,100	0	0%	0	0%	0%
4	Eligible Expenditure (€M) ¹	96	22	23%	24	17	71%	13	13%	51%
4	Percentage of the priority financial allocation accounted by contractual agreements to deliver infrastructure works	n/a	>100	n/a	75	95	>100	22	n/a	29%
4	Gross passenger kilometres on public transport ²	67,200,000	0	0%	n/a	n/a	n/a	0	0%	n/a

Source: WEFO, 31/10/2017

¹ Eligible Expenditure forecasts are conservative and based on current operation forecast to June 2018 and adjusted for current variance to profile. This will allow enough time for submitted claims to be verified. All Expenditure targets will be adjusted in modification.

² Indicator / target will be changed in the upcoming modification.

³ Forecasts are based on data from currently approved projects and assumes operations will deliver to profile.

Table 3: West Wales and the Valleys ESF Programme: Performance framework indicators

Priority	Indicator	Final target to end 2023	Forecast to end 2023 ³	Share of 2023 target forecast	Milestone target to end 2018	Forecast to end 2018 ³	Share of 2018 target forecast	Achieved to date	Share of 2023 target achieved	Share of 2018 target achieved
1	Eligible Expenditure (€M) ¹	248	172	69%	63	73	>100%	18	7%	29%
1	Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment	36,000	42,655	>100%	9,182	24,452	>100%	5,943	17%	65%
1	Long-term unemployed (aged 25 and over) who have complex barriers to employment	10,800	18,615	>100%	2,755	10,548	>100%	2,897	27%	>100%
2	Eligible Expenditure (€M) ¹	480	493	>100%	122	206	>100%	85	18%	70%
2	Employed participants with no formal qualifications - Male ²	14,029	5,280	38%	3,578	3,493	98%	563	4%	16%
2	Employed participants with no formal qualifications - Female ²	12,771	5,599	44%	3,258	3,432	>100%	429	3%	13%
2	Employed participants with qualifications up to and including a lower secondary education - Male	23,870	21,557	90%	6,088	12,580	>100%	6,795	28%	>100%
2	Employed participants with qualifications up to and including a lower secondary education - Female	21,730	26,089	>100%	5,543	14,258	>100%	6,812	31%	>100%
2	Employed participants with lower secondary education - Male	16,070	22,233	>100%	4,099	11,991	>100%	4,583	29%	>100%
2	Employed participants with lower secondary education - Female	14,630	27,469	>100%	3,732	13,905	>100%	4,733	32%	>100%
3	Eligible Expenditure (€M) ¹	329	268	81%	84	165	>100%	36	11%	42%
3	NEET Participants (16 - 24 years of age)	42,700	48,483	>100%	10,891	28,031	>100%	13,170	31%	>100%

Source: WEFO, 31/10/2017

¹ Eligible Expenditure forecasts are conservative and based on current operation forecast to June 2018 and adjusted for current variance to profile. This will allow enough time for submitted claims to be verified. All Expenditure targets will be adjusted in modification.

² Indicator / target will be changed in the upcoming modification.

³ Forecasts are based on data from currently approved projects and assumes operations will deliver to profile.

Table 4: East Wales ESF Programme: Performance framework indicators

Priority	Indicator	Final target to end 2023	Forecast to end 2023 ³	Share of 2023 target forecast	Milestone target to end 2018	Forecast to end 2018 ³	Share of 2018 target forecast	Achieved to date	Share of 2023 target achieved	Share of 2018 target achieved
1	Eligible Expenditure (€M) ¹	88	34	39%	22	13	58%	2	2%	9%
1	Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment	12,700	14,611	>100%	3,239	8,628	>100%	1,230	10%	38%
1	Long-term unemployed (aged 25 and over) who have complex barriers to employment	3,800	5,863	>100%	969	3,526	>100%	676	18%	70%
2	Eligible Expenditure (€M) ¹	197	224	>100%	50	88	>100%	35	18%	71%
2	Employed participants with no formal qualifications - Male ²	7,799	1,950	25%	1,989	1,160	58%	86	1%	4%
2	Employed participants with no formal qualifications - Female ²	7,101	2,025	29%	1,811	1,234	68%	97	1%	5%
2	Employed participants with qualifications up to and including a lower secondary education - Male	13,296	8,938	67%	3,391	4,851	>100%	3,276	25%	97%
2	Employed participants with qualifications up to and including a lower secondary education - Female	12,104	10,625	88%	3,087	5,536	>100%	3,646	30%	>100%
2	Employed participants with lower secondary education - Male	6,438	9,873	>100%	1,642	5,065	>100%	2,407	37%	>100%
2	Employed participants with lower secondary education - Female	5,862	12,240	>100%	1,495	6,492	>100%	2,517	43%	>100%
3	Eligible Expenditure (€M) ¹	120	143	>100%	31	76	>100%	13	11%	43%
3	NEET Participants (16 - 24 years of age)	21,200	28,266	>100%	5,407	16,184	>100%	4,883	23%	90%

Source: WEFO, 31/10/2017

¹ Eligible Expenditure forecasts are conservative and based on current operation forecast to June 2018 and adjusted for current variance to profile. This will allow enough time for submitted claims to be verified. All Expenditure targets will be adjusted in modification.

² Indicator / target will be changed in the upcoming modification.

³ Forecasts are based on data from currently approved projects and assumes operations will deliver to profile.

Table 5: Rural Development Programme: Performance framework indicators

Priority	Indicator	Forecast to end 2023	Achieved to date	Milestone target to end 2018	Final target to end 2023	Share of 2023 target achieved
2	Total Public Expenditure P2 (EUR)	€ 71,812,500	€ 7,737,500	24%	€ 121,683,038	6%
	Number of agricultural holdings with RDP support for investment in restructuring or modernisation (focus area 2A) + holdings with RDP supported business development plan/investment for young farmers (focus area 2B)	15	0	10%	2,431	0%
3	Total Public Expenditure P3 (EUR)	€ 37,275,000	€ 525,000	24%	€ 108,649,232	0%
	Number of supported agricultural holdings receiving support for participating in quality schemes, local markets/short supply circuits, and producer groups (focus area 3A)	414	0	35%	165	0%
4	Total Public Expenditure P4 (EUR)	€ 477,837,500	€ 61,803,750	24%	€ 415,473,779	15%
	Agricultural land under management contracts contributing to biodiversity (ha) (focus area 4A) + improving water management (ha) (focus area 4B) + improving soil management and/preventing soil erosion (ha) (focus area 4C)	598,500	749,381	85%	706,387	106%
5	Total Public Expenditure P5 (EUR)	€ 39,875,000	€ 4,467,501	24%	€ 80,454,040	6%
	Number of investment operations in energy savings and efficiency (focus area 5B) + in renewable energy production (focus area 5C)	0	0	32%	583	0%
	Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E) + Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D) + Irrigated land switching to more efficient irrigation system (ha) (focus area 5A)	61,829	147	81%	63,711	0%
6	Number of operations supported to improve basic services and infrastructures in rural areas (focus areas 6B and 6C)	1,583	0	20%	653	0%
	Total Public Expenditure P6 (EUR)	€ 71,550,000	€ 125,000	24%	€ 206,164,595	0%
	Population covered by LAG (focus area 6B)	1,381,745	1,381,745	100%	1,381,745	100%

Source: WEFO, 31-10-2017

Table 6: Rural Development Programme: Alternative Performance Framework indicators

Priority	Indicator	Forecast to end 2023	Achieved to date	Milestone target to end 2018	Final target to end 2023	Share of 2023 target achieved
3	Number of operations supported for investments (e.g. in agricultural holdings, in processing and marketing of ag. products) (focus area 3A)	24	0	35%	120	0%

WALES PROGRAMME MONITORING COMMITTEE, EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014 – 2020:

Amendment to the 2014-2020 ERDF Programmes

Issue

1. The PMC is asked to agree amendments to be made to the 2014-2020 ERDF Programmes, which relate to:
 - changes to the indicators and targets in different parts of the programme to reflect updated evidence and correcting incorrect assumptions at programme development stage
 - adjustments to the Performance Framework reflecting the above and to ensure indicators represent at least 50% of each Priority Axis
 - reallocation of ERDF funding between Thematic Objectives and Priority Axes as a result of the changing socio-economic conditions and the investment context.

Recommendation

2. In line with Article 110 of Regulation EU 1303/2013, there is a requirement for the PMC to examine and approve any proposal to amend the Operational Programmes proposed by the Managing Authority.

Background

3. In reaching the mid-stage of the 2014-2020 Structural Funds programmes, a review of delivery to date and expected pipelines projects has identified some potential modifications needed to the Operational Programmes.
4. The PMC has had preliminary discussions on the proposed approach to modifications and the associated timescale at the June and September 2017 meetings.
5. Members have already approved minor modifications relating to additional funding allocations to both the ERDF & ESF West Wales & the Valleys programmes, and the inclusion of an additional 'Categorisation Code' under Priority 3 of the ERDF programme. These have been submitted to the EC for agreement.
6. The intervention logic set out for each Specific Objective remains sound, as do the expected results. The focus for delivery of the 2014-2020 programmes has been on contributing to the results, rather than solely focussing on outputs. This is particularly important in those areas where delivery approaches have changed significantly; such as the increased targeting via smart specialisation. Work has

been undertaken to review indicators across the programmes, with proposed changes primarily related to weaknesses in the original rationale for the targets and associated planning assumptions. Where delivery approaches have changed significantly the past performance used to set initial targets no longer represents as reliable an indicator of future performance. These include the deletion of some indicators that do not relate to the result being sought nor planned activity. These changes will serve to simplify programmes and avoid collecting data that is not absolutely necessary. Further detail on the proposed changes is included at Annex B.

Financial considerations

7. There are also challenges with commitment in some areas of the ERDF programmes, in particular where large projects were expected to come forward but which have not materialised (e.g. smaller than expected operations for the energy efficiency in housing and community energy objectives).
8. The outcomes from a series of specific calls for project proposals suggests that there is sufficient demand for existing Priority-level allocations for West Wales and the Valley programme to remain as they currently stand. Some reallocation is proposed, however, within Priority 2 (SME Competitiveness) to boost the equity finance for RD&I under the Financial Instrument managed by the Development Bank of Wales.
9. In East Wales, WEFO are proposing to reallocate some funding currently allocated to Priority 3 (Renewable Energy and Energy Efficiency) to other parts of the programme. This reflects the smaller than expected number of interventions for community energy and energy efficiency in housing. Funding would be re-allocated to Priority 1 (Research and Innovation) to focus on a key Priority in terms of the programme strategy, and Priority 2 (SME Competitiveness), where the existing Financial Instrument is over-performing and there remains scope to address identified funding gaps which previous allocations could not fully address.
10. The 'eligible expenditure' performance framework milestones were set at an overall value of N+3 and distributed equally among the Priorities; this assumption did not take fully into account the innovative nature of the energy priority and the time taken to implement large infrastructure projects. The relatively equal distribution of financial targets for the performance framework was based on assumptions of large energy efficiency in housing and connectivity projects commencing very early in the programme period. These projects were not forthcoming as early as expected.
11. Therefore changes are proposed to rebalance the financial targets for the performance framework between the Priority Axes. Where resources have been reallocated between Priority Axes this has also resulted in changes to the financial targets. These changes are included in Annex B

The changes proposed

12. The proposed amendments to both of the ERDF Operational Programmes are set out in detail in the attached Annex A. In summary, the proposals are:

- For West Wales and the Valleys, reallocating funding between 'Thematic Objectives' within Priority 2 (SME Competitiveness): moving €20,000,000 of EU funding from business advice and support¹ to boost the equity finance for RD&I under the Financial Instrument² managed by the Development Bank of Wales.
- For the marine energy specific objective in West Wales and the Valleys we are looking to add clarifications to the text on geographical coverage and make-up of demonstration zones
- For East Wales only, reallocation of €17,550,000 from Priority 3 (Renewable Energy and Energy Efficiency): increasing Priority 1 (Research and Innovation) by €11,700,000 and Priority 2 (SME Competitiveness) by €5,850,000. Revised financial tables are included at Annex A
- Changes to the indicators and targets in different parts of both programmes to reflect updated evidence and correcting incorrect assumptions at programme development stage. The changes and associated rationale are described in detail in Annex B.
- Adjustments to the Performance Frameworks reflecting the above and to ensure indicators represent at least 50% of each Priority Axis

13. The proposals for modifying indicators and targets will have implications for the performance framework. This may prove challenging to negotiate, but we believe we have a sound rationale for the changes proposed and early discussions with the European Commission have been positive.

Other changes

14. The modifications also provide an opportunity to undertake a range of minor adjustments to reflect errors in the original documents or clarifications, some of which have already been highlighted by the EC desk officer. This includes amendments to the Technical assistance indicators to make them consistent across programmes and correct some assumptions.

15. The original Operational Programme documents were subject to Strategic Environmental and Equality Impact Assessments, the requirement to revisit these in light of the changes proposed will also be undertaken

¹ Thematic Objective 3 - Enhancing the competitiveness of SMEs

² Thematic Objective 1 - Strengthening research, technological development and innovation

Thematic Concentration and Earmarking targets

16. The regulations require minimum allocations to be directed towards a combination of different 'Thematic Objectives', as well as contributing to broader targets to address climate change. The proposals set out within this document ensure that all earmarking and thematic concentration targets are still met.
17. Following PMC agreement and prior to formal submission, WEFO will need to liaise with the UK Government to ensure there is no negative effect on overall UK targets in these areas. This is not expected as convention has been for each devolved administration to meet its 'share' of targets, unless a prior agreement is reached.

Next Steps

18. Subject to the PMC's endorsement, the Operational Programme document will be updated and proposals will be forwarded to the European Commission for formal consideration in early 2018 with the aim of concluding negotiations by the middle of next year.

WEFO Lead: Tom Smithson
Approved by: Rob Halford
November 2017

Annex A1: proposed revisions to the ERDF West Wales and the Valleys Operational Programme financial tables**Table 1 - West Wales and the Valleys OP Priority 2 SME Competitiveness proposed reallocation (ERDF Grant / EU Contribution only)**

Thematic Objective	Current ERDF (€)	Proposed ERDF (€)	Change in allocations(€)
(3) Enhancing the competitiveness of SMEs	188,119,484	168,119,484	-20,000,000
(1) Strengthening research, technological development and innovation	19,873,920	39,873,920	+20,000,000

Table 2 -ERDF West Wales and the Valleys - Revised financial table (Table 18c)

Priority Axis	Thematic Objective	Union support €	National counterpart €	Total funding €
1		301,917,197	152,892,090	454,809,287
	(1) Strengthening research, technological development and innovation	301,917,197	152,892,090	454,809,287
2		207,993,404	125,275,951	333,269,355
	(3) Enhancing the competitiveness of SMEs	168,119,484	101,259,596	269,379,080
	(1) Strengthening research, technological development and innovation	39,873,920	24,016,354	63,890,274
3		170,823,488	75,213,511	246,036,999
	(4) Supporting the shift to a low-Carbon economy in all sectors	170,823,488	75,213,511	246,036,999
		501,305,767	262,181,542	763,487,309
	(7) Promoting sustainable transport and removing bottlenecks in key network infrastructures	106,387,268	55,640,250	162,027,518
	(4) Supporting the shift to a low-Carbon economy in all sectors	172,143,962	90,030,820	262,174,782

Priority Axis	Thematic Objective	Union support €	National counterpart €	Total funding €
	(2) Enhancing access to and exploitation of ICT	55,693,634	29,127,618	84,821,252
	(8) promoting employment and supporting labour mobility	167,080,903	87,382,854	254,463,757
Priority Axis 5	Technical Assistance	24,070,209	8,186,839	32,257,048
Total Programme		1,206,110,065	623,749,933	1,829,859,998

Annex A2: proposed revisions to the ERDF East Wales Operational Programme financial tables**Table 3a East Wales Priority 1 (ERDF Grant / EU Contribution only)**

Thematic Objective	Current ERDF (€)	Proposed ERDF (€)	Change in allocations
(1) Strengthening research, technological development and innovation	89,101,566	100,801,566	11,700,000

Table 3b East Wales Priority 2 (ERDF Grant / EU Contribution only)

Thematic Objective	Current ERDF (€)	Proposed ERDF (€)	Change in allocations
(3) Enhancing the competitiveness of SMEs	36,612,232	33,612,232	-3,000,000
(1) Strengthening research, technological development and innovation	3,258,239	12,108,239	8,850,000
	39,870,471	45,720,471	5,850,000

Table 3c East Wales Priority 3 Financial Allocations (ERDF Grant / EU Contributions only)

Thematic Objective	Current ERDF (€)	Proposed ERDF (€)	Change in allocations
(4) Supporting the shift to a low-Carbon economy in all sectors	22,400,391	4,850,391	-17,550,000

Table 4 Revised Financial Table (Table 18c)

Priority Axis	Thematic Objective	Union support €	National counterpart €	Total funding €
1		100,801,566	100,801,566	201,603,132
	(1) Strengthening research, technological development and innovation	100,801,566	100,801,566	201,603,132
2		45,720,471	45,720,471	91,440,942
	(3) Enhancing the competitiveness of SMEs	33,612,232	33,612,232	67,224,464
	(1) Strengthening research, technological development and innovation	12,108,239	12,108,239	24,216,478
3		4,850,391	4,850,391	9,700,782
	(4) Supporting the shift to a low-Carbon economy in all sectors	4,850,391	4,850,391	9,700,782
4		47,873,581	47,873,581	95,747,162
	(4) Supporting the shift to a low-Carbon economy in all sectors	36,098,865	36,098,865	72,197,730
	(2) Enhancing access to and exploitation of ICT	11,774,716	11,774,716	23,549,432
5	Technical Assistance	4,066,245	4,066,245	8,132,490

Annex B: Rationale and methodology for changes to indicators and targets

Priority 1: Research and Innovation

19. Following approval of the Operational Programmes, final evaluations of the 2007-13 Programme research and innovation projects³ made recommendations that projects should focus on collaboration activities in order to achieve the intended innovation outputs such as new (or new to firm) products, processes and services, and that the focus on direct support activities was detracting from this. Furthermore, collaborations and collaboration activities take time to develop, a consequence of which is that innovation and economic development (turnover and jobs) outcomes are also unlikely to materialise in the short term. Following guidance from the EC on interpretation of the core indicators a new indicator “Number of partners collaborating in research projects” has been introduced to capture the size of the collaborations and the current indicator will be reported as a subset. This will not add any administrative burden for beneficiaries; it simply changes the way WEFO reports existing collected data.
20. The reduction in the target for East Wales for the collaboration indicator is due to a combination of forecasting errors in the data used to set the target and a shift from public to private match-funding leading to smaller operations at higher intervention rates. In setting this target we were only able to use forecast data (estimates from operations of their performance). These forecasts from 2007-2013 operations proved to be significantly over-optimistic, undermining their reliability for target-setting. In addition, smaller overall operations are being supported compared to 2007-2013, as less public sector match is leveraged given ongoing austerity and a shift to a private financing model. A sense check confirms this: the original target for East Wales is 59% of the West Wales and the Valleys target, despite East Wales having only 30% of the financial allocation for this Specific Objective. Revised figures use more realistic forecasts, based on final 2007-2013 data and the shift in delivery emphasis.
21. In addition to the shift in focus recommended by evaluation evidence, the original targets had not fully taken into account the impact on numbers of businesses from the new approaches adopted for targeting (compared to the operations used as the basis for setting programme targets). This includes the requirements to both only support firms demonstrating smart specialisation and to focus on the contribution to the result indicators (in this case targeting businesses of 10+ employees or with the potential to grow to that size). This has had the cumulative effect of more intensive support, but with fewer businesses.

²ASTUTE, BEACON2, SEREN, SEACAMS

22. Original targets were based on assumptions of a similar performance of 2007-2013 operations continuing into 2014-2020. The targeting approach has meant, however, the 2014-2020 operations are targeting fewer micro-businesses in fewer sectors. Reductions are therefore proposed in indicators measuring numbers of enterprises receiving support, which simply count businesses, to focus on indicators representing outcomes.
23. The revised targets in the table below reflect these changed assumptions, and incorporate latest intelligence from forecasts taken from assessed business plans and estimates from the recent call for new ideas.
24. The changes proposed in this priority do not affect the result indicators, which will remain the same; as will the related targets.

Table 5: Priority 1: Research and Innovation revised targets

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Revised Target	Target	Revised Target
SO1.1 - Research capacity	Amount of research funding secured	£165m	£165m	£65m	£65m
	Number of enterprises cooperating with supported research institutions	160	150	90	45
	Number of partners collaborating in research projects	-	300	-	90
	Number of improved research infrastructure facilities	6	6	2	2
	Number of new researchers in supported entities	470	470	290	290
	Number of researchers working in improved research infrastructure facilities	200	200	110	110
SO1.2 - Commercialisation	Number of enterprises supported to introduce new to the market products	490	490	300	300
	Number of enterprises supported to introduce new to the firm products	725	725	440	250
	Number of enterprises cooperating with supported research institutions	1,212	750	715	225
	Number of partners collaborating in research projects	-	1,500	-	450
	Number of enterprises receiving grants	520	350	320	320
	Number of enterprises receiving non-financial support	3,750	2,000	2,245	650
	Number of new enterprises supported	30	30	20	20
	Private investment matching public support in innovation or R&D projects	€42.8m	€42.8m	€26.2m	€26.2m
	Employment increase in supported enterprises	1,125	1,125	670	670
	Number of patents registered for products	519	519	315	315
	Number of pilot projects completed	n/a		n/a	
	Enterprises adopting or improving:				
	- equality and diversity strategies and monitoring systems	20%	20%	20%	20%
	- sustainable development strategies and monitoring systems	20%	20%	20%	20%

Source: WEFO, 31/10/2017

Table 6 - Performance Framework (current)

Priority	Indicator	West Wales and the Valleys		East Wales	
		Milestone target to end 2018	Final target to end 2023	Milestone target to end 2018	Final target to end 2023
1	Eligible Expenditure (€M)	115	452	46	178
1	Number of enterprises receiving non-financial support	1,163	3,750	629	2,245

Source: WEFO, 31/10/2017

25. The output indicator for Priority 1 in the performance framework is 'numbers of enterprises receiving non-financial support'. Milestones for 2023 were agreed at 3,750 for West Wales and the Valleys, with the expectation that 31% of those outputs would have been achieved by 2018. The corresponding figures for East Wales are 2,245 and 28%.

26. The implication of the shift in activity (focussing on quality collaborations rather than simply the quantity of businesses supported) is that the performance framework does not reflect the main activity of Priority and should be replaced with 'Number of enterprises cooperating with supported research institutions' which 15 out of 17 operations in the Priority are reporting against.

Table 7 - Performance Framework (Revised)

Priority	Indicator	West Wales and the Valleys		East Wales	
		Milestone target to end 2018	Final target to end 2023	Milestone target to end 2018	Final target to end 2023
1	Eligible Expenditure (€M)	119	455	41	202
1	Number of partners collaborating in research projects	345	1,800	32	540

Priority 2: SME Competitiveness

27. The original output target setting methodology was based on 2007-2013 operations which had less specific and less targeted outcomes. Those operations thus supported a very wide range of businesses with relatively generic support offers.
28. The new approach for 2014-2020 has resulted in much more targeted support on growth businesses (e.g. those aiming to grow to 10+ employees) resulting in fewer businesses supported. Similarly, the approach of tailoring support for those businesses via a smaller group of business support projects has also led to fewer businesses being supported at a higher cost; but with the aim of greater overall results. The full implication of these changes was not fully understood in the target setting for 2014-2020; this is now reflected in proposals for a reduction in the number of enterprises receiving non-financial support.
29. In terms of the type of financial support provided, it is encouraging to see the delivery focus has continued to move away from grant to repayable finance, and more quickly than anticipated at the point of programme approval (supported by the research undertaken by WEFO “Grants for SMEs in Wales”). It is therefore proposed to reduce the target for enterprises receiving grant.
30. In addition, the revised delivery model of the Financial Instrument (informed by an ex-ante assessment completed after the programme approval) has led to: expected EIB loan finance not being accessed (reducing the private investment target); and higher levels of private sector co-finance (increase in investment in enterprise) to be secured, particularly in East Wales. Targets have been adjusted accordingly.
31. Lastly, the indicator relating to individuals supported should be removed due to a shift to online delivery. The indicators were originally included to capture additional information in terms of new business creation and the associated advice offered. This activity can be better captured via the existing indicator for new enterprises supported, avoiding duplication and risks of double-counting. The operation will also capture additional information that will be of use in evaluation (but not reported to WEFO).
32. The revised targets in the table below reflect these changes and the latest intelligence on the effect of those changed assumptions; including forecasts taken from assessed business plans and latest performance data.

Table 8: Priority 2: SME Competitiveness revised targets

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Revised Target	Target	Revised Target
SO2.1 - Access to Finance	Investment in enterprises	£91.6m	£149.6m	£25.9m	£33.7m
	Number of enterprises receiving grants	160	-	45	-
	Number of enterprises receiving financial support other than grants	235	235	65	65
	Private investment matching public support to SMEs - Non-grants	€132.0m	€74.8m	€37.3m	€18.7m
	Employment increase in supported enterprises	2,300	2,300	650	650
	Enterprises adopting or improving:				
	- sustainable development strategies and monitoring systems	50%	50%	50%	50%
	- equality and diversity strategies and monitoring systems	50%	50%	50%	50%
SO2.2 - Start-ups	Number of new enterprises supported	5,150	5,150	2,200	2,200
	Number of enterprises receiving non-financial support	275	275	120	120
	Individuals receiving support	14,350	-	6,200	-
	Individuals receiving support - Female individuals	7,300	-	3,100	-
	Individuals receiving support - BME individuals	375	-	445	-
	Individuals receiving support - Disabled individuals	3,650	-	1,350	-
	Employment increase in supported enterprises	8,800	8,800	3,800	3,800
	Enterprises adopting or improving:				
	- sustainable development strategies and monitoring systems	50%	50%	50%	50%
	- equality and diversity strategies and monitoring systems	50%	50%	50%	50%
SO2.3 - ICT take up and exploitation	Number of enterprises supported to introduce new to the firm products	1,480	1,480	400	400
	Number of enterprises receiving non-financial support	3,450	3,450	900	900

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Revised Target	Target	Revised Target
SO2.4 - Employment Growth in SMEs	Employment increase in supported enterprises	6,450	6,450	2,550	2,550
	Number of enterprises receiving grants	40	40	10	10
	Number of enterprises receiving financial support other than grants	330	330	115	115
	Number of enterprises receiving non-financial support	13,650	8,000	5,400	5,400
	Private investment matching public support to SMEs - Grants	€4.3m	€4.3m	€2.2m	€2.2m
	Private investment matching public support to SMEs - Non-grants	€6.6m	-	€3.4m	-
	Increase in level of export	£167.1m	£167.1m	£65.9m	£65.9m
	Enterprises adopting or improving:				
	- sustainable development strategies and monitoring systems	50%	50%	50%	50%
	- equality and diversity strategies and monitoring systems	50%	50%	50%	50%
SO2.5 - Risk Capital Finance	Investment in enterprises	£26.5m	£41.4m	£7.2m	£12.7m
	Number of enterprises receiving financial support other than grants	90	90	25	25
	Private investment matching public support to SMEs - Non-grants	€23.8m	€20.7m	€14.1m	€7.2m
	Employment increase in supported enterprises	490	490	145	145
	Number of enterprises supported to introduce new to the firm products	20	20	5	5
	Enterprises adopting or improving:				
	- sustainable development strategies and monitoring systems	50%	50%	50%	50%
	- equality and diversity strategies and monitoring systems	50%	50%	50%	50%

Source: WEFO, 31/10/2017

Table 9 - Performance Framework (current)

Priority	Indicator	West Wales and the Valleys		East Wales	
		Milestone target to end 2018	Final target to end 2023	Milestone target to end 2018	Final target to end 2023
2	Eligible Expenditure (€M)	85	333	20	80
2	Number of enterprises receiving non-financial support	7,645	17,375	1,798	6,420

Source: WEFO, 31/10/2017

33. In contrast to initial estimates, the Financial Instrument (Wales Business Fund) now accounts for more than 50% of the priority allocation and the implication of the shift in activity is that the performance framework does not reflect the main activity of Priority. Thus the current performance framework output indicator should be replaced with 'Number of enterprises receiving financial support other than grant' which is used to measure the activity of the FI. This will ensure the performance framework continues to capture at least 50% of activity.

Table 10 - Performance Framework (Revised)

Priority	Indicator	West Wales and the Valleys		East Wales	
		Milestone target to end 2018	Final target to end 2023	Milestone target to end 2018	Final target to end 2023
2	Eligible Expenditure (€M)	213	333	41	91
2	Number of enterprises receiving financial support other than grants	119	325	16	90

Source: WEFO, 31/10/2017

Priority 3: Renewable Energy and Energy Efficiency

34. There were errors in the final approved Operational Programme for East Wales, stemming from the fact that outputs are aggregated at Priority level, rather than at Specific Objective level. Associated targets for marine energy were mistakenly left in the East Wales Programme, despite the final agreed Operational Programme not including this activity (it is only included in West Wales and the Valleys). These indicators (on renewable energy capacity, site preparation schemes and prototypes) should therefore be removed to correct this error.
35. The original targets for energy capacity had significantly underestimated the time taken for energy site preparation schemes to gain consent for offshore testing. This specific target (intended for West Wales and the Valleys only) is mirrored in the result indicator. Energy capacity levels are still expected to be achieved; however, this is already captured in the result indicator (which also captures subsequent activity once an operation is completed). The proposal is to remove this output indicator, given it is already reflected in the result indicator and target.
36. The indicators for number of enterprises receiving support and enterprises introducing new products reflected a planning assumption that a significant part of the Priority would deliver supply chain development for the energy efficiency in housing sector. The increased focus on targeting and outcomes for this Specific Objective, as well as a significantly scaled-back investment approach, suggests these indicators are not relevant, as they do not represent expected activity to deliver the results.
37. Lastly the Number of households with improved energy consumption classification and corresponding reduction in GHG needs to be reduced. The target was based on their being a single operation in each programme similar in size and scope to the 2007-2013 Programmes. The focus on those in severe fuel poverty and lessons learnt from the previous project has resulted in a smaller operations being developed: the targets have been reduced to reflect this. There is a corresponding proposal to transfer ERDF out of this Priority.
38. The revised targets in the table below are based on forecasts taken from assessed business plans and latest performance data.

Table 8: Priority 3: Renewable Energy and Energy Efficiency revised targets

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Revised Target	Target	Revised Target
SO3.1 - Marine Energy	Additional capacity of renewable energy production (MW)	20	-	n/a	n/a
	Energy support site preparation schemes	2	2	n/a	n/a
	Number of renewable energy prototypes tested	8	8	n/a	n/a
SO3.2 - Community Energy (SO3.1 East Wales)	Community energy schemes	3	3	3	3
	Number of enterprises receiving non-financial support	150	-	70	-
	Number of enterprises supported to introduce new to the firm products	75	-	35	-
	Number of pilot projects completed	4	4	3	3
	Additional capacity of renewable energy production (MW)	n/a	n/a	8	-
	Energy support site preparation schemes	n/a	n/a	1	-
	Number of renewable energy prototypes tested	n/a	n/a	3	-
SO3.3 - Energy Efficiency in Housing	Number of households with improved energy consumption classification	5,500	3,060	4,200	765
(SO3.2 East Wales)	Estimated decrease of GHG	10	5	5	1

Source: WEFO, 31/10/2017

Table 12 - Performance Framework (current)

Priority	Indicator	West Wales and the Valleys		East Wales	
		Milestone target to end 2018	Final target to end 2023	Milestone target to end 2018	Final target to end 2023
3	Eligible Expenditure (€M)	63	246	11	45
3	Energy support site preparation schemes	1	2	n/a	n/a
3	Number of renewable energy prototypes tested	n/a	8	n/a	n/a
3	Number of households with improved energy consumption classification	2,750	5,500	2,100	4,200

Source: WEFO, 31/10/2017

The number of households with improved energy consumption classification should be reduced to reflect changed planning assumptions as described above and with an implementation step to reflect the expected timing of activity.

Table 13 - Performance Framework (Revised)

Priority	Indicator	West Wales and the Valleys		East Wales	
		Milestone target to end 2018	Final target to end 2023	Milestone target to end 2018	Final target to end 2023
3	Eligible Expenditure (€M)	26	246	0.06	9.7
3	Energy support site preparation schemes	1	2	n/a	n/a
3	Number of renewable energy prototypes tested	3	8	n/a	n/a
3	Number of households with improved energy consumption classification	n/a	3,060	n/a	765
3	Contractors procured to deliver final target of households with improved energy consumption classification	Yes	n/a	Yes	n/a

Source: WEFO, 31/10/2017

Priority 4: Connectivity and Urban Development

39. This Priority was difficult to set targets for due to the varied nature of transport infrastructure projects, yet very specific outcomes (e.g. on a particular geographic area). Forecasting these in advance is therefore very difficult; with the exception of some road schemes. The focus on TEN-T pinch-points has led to fewer opportunities to support footpaths and cycleways as part of those road schemes.
40. At the time of writing the Programme the indicators 'gross passenger km' and 'Public transport services created or improved' were thought to be the most universally applicable. Subsequently, the proposal for the Metro was purely related to infrastructure with no service delivery as a directly funded part of the operation. This means that the outputs no longer directly relate to the activity (service operation outcomes will still be captured in the result indicator and related evaluation). In addition to this, evaluation work uncovered technical errors in the data which had been reported to WEFO in the 2007-2013 Programme used to calculate gross passenger km targets. This resulted in an unsound base to calculate the current target. These non EC indicators should be removed but considered as a part of the evaluation of rail schemes.
41. The Metro proposal is focussed on upgrading railway lines (e.g. electrification) and so the target for new railway lines should be transferred to the output total length of reconstructed or upgraded railway line.
42. The targets related to broadband can be increased due to the assumption that 96% of premises would already be covered was not realised, with additional activity required under 2014-2020 to address those shortfalls. This has been accommodated within existing allocations, but has resulted in additional coverage; particularly in the West Wales and the Valleys region.
43. The targets relating to strategic sites were similarly difficult to estimate and have proven to be under-estimated. Proposals are to increase targets accordingly.
44. In addition to output indicators this Priority needs amendments to the result indicator for West Wales and the Valleys covering Specific Objective 4.2 (sustainable urban transport). The original result indicator included modelling across the whole of Wales, allowing for potential operations in different parts of Wales to be supported. A more focussed approach now targets the South Wales Valleys region, in particular via Metro. It is therefore considered prudent to maintain the same indicator, but to restrict the geographical coverage of that indicator to the South Wales region. A new baseline and target will therefore better enable us to estimate impact of ERDF support, and will not be lost in the 'noise' of wider changes to the Welsh public transport network.

Table 14 Priority 4: Connectivity and Urban Development revised targets

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Revised Target	Target	Revised Target
SO4.1 - Roads	Total length of reconstructed or upgraded roads (including TEN-T)	15	15	n/a	n/a
	Footpath or cycleway created or reconstructed	10	5	n/a	n/a
SO4.2 - Public Transport (SO4.1 East Wales)	Public transport services created or improved	2,500,000	-	420,000	-
	Intermodal facilities created or improved	25	25	5	5
	Total length of new railway line (including TEN-T)	15	-	n/a	n/a
	Total length of reconstructed or upgraded railway line (including TEN-T)	15	24	3	5
	Gross passenger kilometres on public transport	400,000,000	-	67,200,000	-
	Total length of reconstructed or upgraded roads (including TEN-T)	5	-	5	-
	Land developed	-	3	n/a	n/a
SO4.3 - ICT Infrastructure (SO4.2 East Wales)	Reduction in CO2 equivalent emissions	10,700	10,700	1,800	1,800
	Additional premises with broadband access of at least 30 Mbps - Households	28,000	60,000	28,000	35,000
	Number of Enterprises supported to connect to 100Mbps or higher networks	250	250	25	25
	Additional population covered by ultrafast broadband (>100Mbps) broadband	n/a	n/a	n/a	n/a
SO4.4 - Strategic Sites	Jobs accommodated	1,770	3,000	n/a	n/a
	Land developed	50	100	n/a	n/a
	Premises created or refurbished	56,430	150,000	n/a	n/a
	SMEs accommodated	235	235	n/a	n/a

Source: WEFO, 31/10/2017

Table 15 - Performance Framework (current)

Priority	Indicator	West Wales and the Valleys		East Wales	
		Milestone target to end 2018	Final target to end 2023	Milestone target to end 2018	Final target to end 2023
4	Eligible Expenditure (€M)	195	763	24	96
4	Percentage of the priority financial allocation accounted by contractual agreements to deliver infrastructure works	35	n/a	75	n/a
4	Gross passenger kilometres on public transport	n/a	400,000,000	n/a	67,200,000
4	Number of projects submitted to the Managing authority having undergone agreed prioritisation process	3	5	n/a	n/a
4	Land developed (Ha)	n/a	50	n/a	n/a

Source: WEF O, 31/10/2017

Table 16 - Performance Framework (Revised)

Priority	Indicator	West Wales and the Valleys		East Wales	
		Milestone target to end 2018	Final target to end 2023	Milestone target to end 2018	Final target to end 2023
4	Eligible Expenditure (€M)	100	763	19	96
4	Percentage of the priority financial allocation accounted by contractual agreements to deliver infrastructure works	35	n/a	75	n/a
4	Total length of reconstructed or upgraded railway line	n/a	24	n/a	5
4	Projects submitted to the Managing authority having undergone agreed prioritisation process	3	n/a	n/a	n/a
4	Land developed (Ha)	n/a	50	n/a	n/a

Source: WEFO, 31/10/2017

Literature Review on Public Sector Reform and Regional Working

Purpose

The Welsh Government intends to implement regional working across the public administrations in Wales. The rationale for this is set out in detail in the white paper, 'Reforming Local Government: Resilient and Renewed Regional Working' (Welsh Government, 2017c). The aim of transitioning from local to regional working is to enhance public service delivery sustainably, using the knowledge and skills from across the public, private and non-profit sectors in collaboration (Welsh Government, 2017c). It is anticipated that regionalisation will support economic growth by increasing the scale of both geographical area and capacity to deliver services (Welsh Government, 2017c).

One of the key enablers in implementing regional working in Wales is institutional capacity (Downe and Hayden, 2016). The Welsh Government therefore proposes to use European Social Fund (ESF) resource to develop capacity across organisations involved in regional working. This literature review provides the evidence base for the government's proposal to build institutional capacity and capability across public service delivery organisations in Wales.

Context

Since devolution, Wales has a tradition of promoting partnership working across the public, private and non-profit sectors to deliver public services (McQuaid and Usher, 2017), favouring collaboration over competition (Carter-Davies and Martin, 2016). The rationale for partnership working is based on maximising the strengths of each sector. The public sector typically has a strong mandate and power to change legislation; the private sector can deliver value for money and therefore cost-efficient services; and the non-profit sector generally has access to excluded or marginalised groups which can enhance the equity of service delivery (Andrews and Entwistle, 2010).

In contrasting with England's public policy strategy, the resulting policy divergence has generated mixed outcomes: Wales has higher rates of public satisfaction but some local authorities' performance is worse than in both England and Scotland, particularly in education and health (Carter-Davies and Martin, 2016).

There are a number of significant pressures on the social and economic landscape of Wales (Winckler, 2015). Some of these pressures exist across the whole of the UK; others are specific to Wales (Gatehouse and Price, 2013). The most critical problems facing Wales are demographic changes, austerity, and public expectations (Welsh Government, 2014), which all shape the public services landscape (McQuain and Usher, 2017). Each of these problems is discussed briefly in this section to contextualise the current landscape in Wales.

Concerns associated with the ageing population of the UK are highlighted throughout the literature (see Falkingham, 2009; Gatehouse and Price, 2013; Welsh Government, 2014; Winckler, 2015; Corfe and Keohane, 2017; OECD, 2017; Walker, 2017), and the ageing population trend is anticipated to continue (Welsh Government, 2017b). Not only does an ageing population put pressure on health and social care services (Corfe and Keohane, 2017), having a larger proportion of older people in the workforce is relatively expensive for employers (Huerta Melchor, 2013).

In combination with demographic changes, austerity measures present challenges to the public sector. UK public sector spending was relatively generous until the global financial crisis in 2008 and subsequently the 2010 general election (Williams, 2017). Austerity has already affected the ways public administrations operate, for example, through reductions to staff levels (Williams, 2017). The European Commission (2016) advises that cutbacks must be well managed to minimise the impact on public administration performance. Research that looked into effective savings practices in English local authorities found that 'changes to organisational structure and responsibilities', 'service redesign' and 'process and back office improvements' were the most successful methods in cutting back spending (DCLG, 2014:5).

Public sector cuts subsequent to the financial crisis also affected the non-profit sector. As funding became scarcer and demand for services increased, the ability of many non-profit organisations across the board to deliver consistently high quality

services diminished (Scragg, 2009). The evaluation of the 2007-2013 ESF Priority 4 programme found that funding and public sector cuts significantly affected the capacity of non-profit organisations to work collaboratively with other sector organisations (Williams, 2017). Given the move towards collaborative, regionalised working involving non-government organisations, the capacity of the non-profit sector must be maximised where possible.

Rising expectation is also shaping the future of public services. The public has high expectations in terms of how public money is spent and who is accountable (McQuaid and Usher, 2017). Citizens are also increasingly expecting more personalised and simplified public services (European Commission, 2016). The increase in public expectations concurrent with spending cuts places even more demand on public sector staff to deliver more with less (Williams, 2017).

Acknowledging these issues is imperative during planning public sector reform in order to manage and minimise the risk of long-lasting damage (Winckler, 2015). The pressures described in this section have driven the need for reform in Wales, which is proposed through regionalisation of the public sector (Welsh Government, 2017c). Methods for addressing such pressures include collaborative working (Entwistle, 2014; Downe and Hayden, 2016; Johnson and Williams, 2017), supporting innovative practices (Simpson, 2011; Osborne and Brown, 2011; Gatehouse and Price, 2013; Corfe and Keohane, 2017) and strong leadership (Andrews and Boyne, 2010; Downe et al, 2016; European Commission, 2015). Underpinning each of these ideas is the need for well-developed institutional capacity to support the successful implementation of regionalisation.

Institutional capacity in regional working

Definitions of institutional capacity (IC) are well documented throughout the literature. Drawing on key documents, IC can be described as a process or ability in which individuals and organisations: strengthen and maintain capabilities; perform tasks effectively, efficiently and sustainably; manage complex interactions; build social capital and trust; and acquire and use information to implement policy successfully (UNDP, 2009; DFID, 2008; European Commission, 2014a, 2015).

Building IC is more than just a technical issue - rather, it serves to ensure that public administrations are equipped to deal with challenges in the long term (European Commission, 2014a).

Given the Welsh Government's commitment to resilience and good governance (Welsh Government, 2016, 2017c), IC is necessary for public sector reform plans to be successful in the long term. There is a case for using ESF to invest in developing IC across organisations involved in regionalisation in order to be flexible, capable and stable in the future.

ESF funding was available for public authorities and partners to enhance IC (ESF Convergence Priority 4) during the last funding period (2007-2013). While public sector IC is currently not an ESF priority in the 2014-2020 period, there is the opportunity to reallocate uncommitted funds from other areas of the programmes to support to improve public sector IC by helping facilitate regional working. In line with Welsh Government objectives, the aim is to improve service quality through building IC at the regional level (Welsh Government, 2017c).

Regionalised collaboration began between local authorities in the previous ESF funding period, but it was not far-reaching enough to transform public service design and delivery (Martin et al, 2013). However, evidence has shown that regionalised working already undertaken in Wales has facilitated flexibility and resilience (Downe and Hayden, 2016). For example, some Welsh local authorities introduced regionalised working for back office services and demonstrated success through efficiency and cost savings (Welsh Government, 2017c).

Some public sector pressures are specific to Wales. For example, the proportion of jobs in public administration in Wales is higher than other areas of the UK (ONS, 2017b) so that public sector cuts may affect the Welsh economy more than other UK areas. The productivity of the Welsh labour force lags behind the UK average (ONS, 2017c) and work absence due to sickness is higher in Wales than any other UK region (ONS, 2017a). In addition, child poverty in Wales is high when compared to England and Scotland (Welsh Government, 2017a; Gatehouse and Price, 2013). These challenges present Wales with an opportunity to adopt new and innovative ways of working that can be enabled through high levels of capacity and capability across the public, private and third sectors.

The literature review findings suggest that strong IC is important for public administrations given the huge impact that the public sector has on the economic environment (European Commission, 2014b) and the wide range of services it provides (e.g. health, education, managing infrastructure, public investments, setting policy objectives) (Blum, Manning and Srivastava, 2012). Evidence shows that IC correlates to performance in public management (Andrews and Boyne, 2010). Yet IC is typically overlooked within public administrations as being an ‘indulgence’ (OECD, 2017:52). It will be important for Welsh Government to fully understand and learn from mistakes and successes from previous examples of regional working. These are highlighted throughout this paper.

Good governance

The subject of governance generates a lot of interest in the literature on public sector reform, and is important for both civil society and government. The reason governance is particularly important to the public sector is because of the accountability held by stakeholders such as parliament, government and taxpayers (McQuain and Usher, 2017). As such, public sector governance is based on regularity, propriety and value for money (McQuain and Usher, 2017). Likewise, the performance of public administrations is determined by the quality of governance (European Commission, 2016). Subsequently, better performance can increase trust, citizen engagement, and social capital (European Commission, 2014a, 2016).

The World Bank offers a detailed description of governance, stating that it ‘consists of the traditions and institutions by which authority in a country is exercised. This includes the process by which governments are selected, monitored and replaced; the capacity of the government to effectively formulate and implement sound policies; and the respect of citizens and the state for the institutions that govern economic and social interactions among them’ (Kaufmann et al, 2009:5). Governance defined by Welsh Government (2014) incorporates leadership, direction and control for the common good.

Institutional capacity is also an essential feature of good governance (European Commission, 2015). Interaction between governance stakeholders generates

opportunities to build capacity, particularly administrative capacity (Dunlop, 2015). However, organisations and public administrations often fail to appreciate the impact of governance in shaping innovative potential (Rodriguez-Pose and Di Cataldo, 2015). Given the need for more innovative practice, Welsh Government must ensure that governance is prioritised when implementing regional working.

Interaction between the public and private sectors is becoming increasingly common in governance structures (Peters, 2015). Interactive governance refers to the 'complex process through which a plurality of social and political actors with diverging interests interact in order to formulate, promote, and achieve common objectives by means of mobilizing, exchanging, and deploying a range of ideas, rules, and resources' (Torfining et al, 2012:2). In practice, communication with partners, citizens and employees involved in collaborative, regional working need to feel assured that governance is fit for purpose and robust (Simpson, 2011). Interaction with stakeholders with wide-ranging political opinions and interests is especially important in multi-level governance reforms (OECD, 2017). Multi-level reforms are generally more complex, take longer and might not ever be successfully implemented (OECD, 2017). Cole and Stafford (2014) warn that given the small size of Wales, governance structures should not be too overcomplicated as this can negatively affect service delivery.

Critiques of governance practices also question the extent to which cross-sector working dismantles democratic control and legitimacy (Rees, Mullins and Bovaird, 2012). The risk of undermining democracy must be considered during the planning process and managed throughout implementation of regional working.

Planning and Implementation

An evaluation of the ESF Priority 4 (2007-2013) programme found that the initial programme documents and Annual Implementation Reports (AIRs) lacked a thorough analysis of the current context that made the priority relevant in the first place (Williams, 2017). With this in mind, a thorough assessment of the current context should be carried out prior to planning public sector reform discussions to ensure that the workforce is adequately equipped to deal with future challenges.

A comprehensive understanding of both the local context and the political context is essential (European Commission, 2016). Understanding the local context involves ‘profound and refined knowledge of the key players, trends, challenges and opportunities in the country’ (Repucci, 2014:208). Structures, relationships, interests and incentives underpin the political context in public sector reform, and without a thorough understanding of these, the reforms are likely to fail (Scott, 2011). With conflicting priorities (such as providing more high quality services with less resource), the context becomes more complicated.

Planning is inevitably important. However, knowing how best to implement any kind of public sector reform is theoretical at this stage, and as such, plans are subject to change (Blum, Manning and Srivastasa, 2012). When planning, therefore, any public sector reform must ensure that there is room and time for change during the reform process, and should include stakeholder input (Blum, Manning and Srivastasa, 2012). Relevant stakeholders include local authorities, trade unions and workers, councils, Registered Social Landlords, non-profit organisations, citizens and communities (Edwards, 2015).

Engaging with stakeholders at the early planning stage is also essential for establishing roles of responsibility and accountability necessary for collaborative working (McQuaid and Usher, 2017). Practical tools for facilitating engagement include workshops, sharing evidence, experiments, networking, coaching and discussions (Blum, Manning and Srivastasa, 2012).

Early engagement will also encourage trust to be built between partners (Downe and Hayden, 2016), which is a key component of successful collaborative working and innovation (Rodriguez-Pose and Di Cataldo, 2015). An evidence review conducted on behalf of Welsh Government (Carter-Davies and Martin, 2016) identified specific development needs and considerations that Welsh Government must address when planning the regionalisation implementation strategy (see table 1).

The European Commission (2016) states that prioritisation is essential for successfully implementing reforms. Two techniques for prioritising are either to create a ranking system of measures according to do-ability and anticipated impact; or ‘path dependency’ to determine what measures or actions are dependent on others being completed first (European Commission, 2016). Any ESF funded public

sector reform should assess which prioritisation strategy is favourable during the planning process.

Table 1: Development needs for successful regionalisation in Welsh public services

Development need	Considerations
Building capability	<ul style="list-style-type: none"> • How to make the most of existing experiential knowledge • How to integrate systematic learning
Increasing data skills	<ul style="list-style-type: none"> • Maximise the appropriate use of existing data • How to build data capability • Sharing knowledge about modelling techniques
Supporting innovation	<ul style="list-style-type: none"> • Make space and time available for innovation in the current Welsh context
Measuring outcomes	<ul style="list-style-type: none"> • Focus on practice, not process • How to simplify processes of outcome measuring and accountability
Collaborative working	<ul style="list-style-type: none"> • Decipher the best methods for collaborative working in terms of meeting public need and delivery quality services • Identify and expand on existing co-production activity • Understand how increased co-production will implicate on the workforce • Identify skills gaps

(Adapted from Carter-Davies and Martin, 2016)

Any plan involving capacity building in the public sector should be implemented bottom-up (EUPAN, 2014); that is, involving staff at all levels and non-hierarchical. A bottom-up approach provides more opportunities for innovation and capacity building than a strict, top-down hierarchical approach (Howlett, 2015). Hierarchical structures that force employees to conform to specific behaviours and methods can inhibit capacity development, both on an organisational and individual level (Howlett, 2015). Likewise, imposing regionalisation on unwilling local authorities will be difficult - if not impossible - without their prior input and collaboration (Martin et al, 2013).

Staff

The workforce is an important determinant of a government's capability (Huerta Melchor, 2013; Howlett, 2015). Innovative workforce planning through use of experts, employment, training and development is essential to the success of implementing reform (OECD, 2013; European Commission, 2016). Studies have found that some workforce planning practices are detrimental: recruitment freezes fail to retain capacity, while outsourcing work can inhibit internal capacity building (Huerta Melchor, 2013). External factors will also affect planning and implementation. For example, the ageing working population threatens a loss of knowledge, skills and capability as increasing numbers of people retire (Huerta Melchor, 2013).

The point of workforce planning is to develop and retain skills necessary for the long-term future (Baron et al, 2010). It requires access to and discussion of high-quality data on costs, headcounts and competencies (Huerta Melchor, 2013), and should involve staff from all levels of the organisation (Baron et al, 2010). An inclusive strategy in workforce planning may also help to assess the distribution of skills across organisations involved in regional working.

Planning the distribution of skills should be approached in the way that best meets public need. The distribution and demand of skills will vary across organisations, departments and tasks (Howlett, 2015). For example, using internal or external consultants is one option for increasing capacity; or, it may be better to have a floating pool of highly skilled staff that can be used as required, depending on the context (Howlett, 2015). Considering how skills should be distributed must be incorporated in the workforce planning process.

Training

Training is necessary to ensure staff have the knowledge and skills required for effective reform (EUPAN, 2014). Investment in training is therefore essential for building IC. Two priority areas for training to build IC are leadership (European Commission, 2014a) and project management (Downe and Hayden, 2016).

Leadership dominates the literature on requirements for IC building (see Entwistle, 2014; Johnson and Williams, 2017; Gatehouse and Price, 2013). However, public sector leadership is difficult to conceptualise and define due to complex and changing roles and responsibilities (Tiernan, 2015). Theoretically speaking, leadership should increase credibility and organisational focus, increase staff motivation, drive change strategy, prioritise resources, enable collaborative leadership throughout the region and be proactive in profile raising (Downe and Hayden, 2016).

Yet evidence from the last ESF funding period found that externalities like public spending cuts, reorganisation and staff turnover tended to impinge on leadership ability, for example by disrupting working relationships between partners, increasing workload and reducing the capacity to work collaboratively with other sectors (Williams, 2017). Any framework for developing leadership capacity should encompass collaboration and increasing capabilities in regional development and general public servant roles (Bowden and Liddle, 2017).

Research suggests that post-recession partnership working between the non-public and public sectors has shifted in terms of leadership roles. Non-public sector organisations increasingly set strategies, navigate, access and manage resources, while public sector organisations have begun to exert less power but still operate in their crucial role as knowledge experts (Bowden and Liddle, 2017).

Another area for concentrating training is in project management. Evidence shows that project management is influential over project success (Williams, 2017). Project management is a role offering operational leadership, personal skills, specialist knowledge and experience, facilitating trust, providing additional resource and building ownership (Downe and Hayden, 2016). However, these successes can only be realised where project managers have the appropriate level of skills and capacity (Williams, 2017).

Other types of capacity that might be considered for development include organisational (Tiernan, 2015), policy (Howlett, 2015; Peters, 2015), evaluation (Hui-Jeng Chen, 2017) and innovation (Gatehouse and Price, 2013), depending on resource. However, the priorities should be leadership and project management.

Procedural arrangements

The regional literature emphasises that innovation is key for improving existing procedures (OECD, 2013; Rodriguez-Pose and Di Cataldo, 2015; Huggins, 2016). By promoting innovative ways of working, technological advances and high quality research can be developed that are crucial to economic sustainability (European Commission, 2012). However, successful innovative implementations are conditional on institutional capacity and the degree of decentralisation (Farole, Rodriguez-Pose and Storper, 2011; Rodriguez-Pose and Di Cataldo, 2015), but have become more commonplace through regional working (OECD, 2011).

Governments are under increasing public pressure to deliver high-quality online services (European Commission, 2015), with expectations correlated to the development of choice, convenience and accessibility in the private market (OECD, 2017; Corfe and Keohane, 2017). There is an opportunity for the public sector in Wales to increase its digital capacity by investing in IT systems, while also meeting public demand for streamlined and accessible services.

Specific tools are required for ensuring effective service delivery: methods, guidelines, manuals, procedures, forms and IT systems (European Commission, 2014b), although it should be noted that IT systems and exploitation are the most crucial facilitators of innovation (EUPAN, 2014). However, it is necessary to optimise organisational structures prior to investment in equipment to enhance efficiency and avoid bureaucratic digitisation (European Commission, 2016).

Networking

Effective capacity building is generated through dynamic, multi-organisational interaction (Dunlop, 2015), and should involve learning from both the public services providing funding and the organisations that receive funding (Downe et al, 2016). Maximising existing networks can be used as a springboard for partners to begin collaborating (Williams, 2017) and sharing knowledge (Entwistle, 2014). ESF funding could be used to encourage and facilitate interaction where regional working is appropriate (Martin et al, 2013) as networks need to be actively managed (Entwistle, 2014). Two strategies for managing networking are: exploring strategies which

involve setting aims and clarifying perceptions; and connecting strategies which seek out relevant partners and investment (Entwistle, 2014).

A disparity in capacity levels is evident between the public sector and the non-profit sector (Howlett, 2015). Non-profit organisations are much more under-developed in terms of analytical capacity (Howlett, 2015). Networking and knowledge sharing could be used to close the gap between these two sectors so that collaborative working is more effective, and public service delivery is more efficient.

Challenges and risk management

Obstacles to workforce planning

One study found that experience from those who had undergone the workforce planning process highlighted numerous challenges (Baron et al, 2010), some of which are linked to capacity gaps. Barriers to effective workforce planning reported include: a lack of planning skills, a lack of appropriate guidance on workforce planning, not enough focus on capacity and training, unclear organisation strategy or a strategy that constantly changes, failure to make plans responsive and adaptive to external factors, failure to review plans over time, poor quality data and systems, failure to ensure processes are joined up to prevent duplication of work and focusing too much on operational and budgetary planning and not enough on long-term and strategic planning (Baron et al, 2010:23).

Even where workforce planning is strategic and clear, externalities can make implementation challenging. For example, public spending cuts might stifle performance, as staffing levels are reduced but workload is not (Huerta Melchor, 2013). Performing regular risk analyses should be undertaken at the senior management level during the reforms, to be able to mitigate against such externalities as well as establish strong governance and increase capacity (European Commission, 2015).

Implementing regionalisation

The shift towards integrated, regional working is often considered expensive and time consuming, and a fall in productivity in the public sector as it adapts to new

ways of functioning is likely (Cole and Stafford, 2014). This is problematic because public administrations are expected to provide services constantly and consistently (OECD, 2017) whilst also being subject to high levels of public scrutiny (Gatehouse and Price, 2013). A conservative approach to taking and managing 'risk' is common in public administrations because there is an inherent responsibility associated with public service delivery (OECD, 2017).

Evidence from Downe and Hayden's (2016) evaluation of regional working in Wales suggests that challenges can be overcome through setting clear expectations and realistic outcomes, project management skills development, building trust between partners and improved collaboration between Welsh Government departments (see their report for detailed discussion).

Future relations with the EU

The impact of the UK leaving the European Union (EU) is yet unknown, and the uncertainty around Wales' future with the EU will make understanding the local context more difficult (Repucci, 2014). Potential vulnerabilities include a loss of workforce diversity, closed communication channels, and limited recruitment (Huerta Melchor, 2013) which may have implications for staffing levels, capability and capacity in the public, private and non-profit sectors. Being as prepared as possible is important for minimising the effects of Brexit to the labour market, trade, business and capacity.

Cultural resistance

Public administrations can be culturally averse to change (Huerta Melchor, 2013) and governance reform (OECD, 2017), but resistance to change is often detrimental to innovation (Corfe and Keohane, 2017). Administrations that prevent innovation are hierarchical, risk averse and look only to the short term, and may have a silo mentality, lack of evidence and limited knowledge transfer (Gatehouse and Price, 2013). To ensure that the workforce is equipped to respond to change and external pressures, cultural change is necessary; supporting innovation in the public sector is crucial to fostering that change (Gatehouse and Price, 2013). Government research

found that leadership is crucial in making effective savings and culture changes (DCLG, 2014).

Findings from previous WEFO programme assessments found that even where staff had benefitted from learning or training, they often experienced a resistance to change from managers (Williams, 2017). Managers therefore need to be on board in promoting a cultural shift towards new ways of working, particularly as partnership cultures tend to be developed over the long-term (Williams, 2017). On an organisational level, fears to highlight failures may inhibit learning (Johnson and Williams, 2017). More risks need to be taken in challenging cultural norms and promoting innovative working by leaders and managers (Corfe and Keohane, 2017).

Knowledge gaps

Significant gaps exist in the literature and research. Research that focuses on the relationship between government and innovative capacity is lacking (Rodriguez-Pose and Di Cataldo, 2015), and there is a large literature on shared services but not on addressing failures (Johnson and Williams, 2017). Likewise, systematic evaluations of reforms are lacking, despite the inefficiency of previous reforms throughout the UK (Carter-Davies and Martin, 2016). The effects of partnership working on user satisfaction, staff morale and service quality in the long-term also remain unknown (Johnson and Williams, 2017).

Knowledge gaps also exist in Welsh Government. An evaluation of the last ESF period found that demand for training was over-anticipated (Williams, 2017). Welsh Government would benefit from a better appreciation of both the demand for training and how to market training opportunities.

Measuring Outcomes

Defining measures for and measuring outcomes of IC development may be challenging (Downe and Hayden, 2016), while identifying the impact of IC building measures is problematic, if not impossible (Williams, 2017). Performance levels are not synonymous with capacity (Mizrahi, 2003). The performance of the public sector in collaboration with other stakeholders is affected by numerous factors other than

capacity and, as such, some commentators argue that performance indicators should not be used to measure institutional capacity (Mizrahi, 2003).

The European Commission (2005) offers some guidance for measuring the success of capacity development. The guidance emphasises the context as forming interdependencies between the organisation and external factors, which is compared to fuel in a car (p.9); the capacity is held in the engine of the car (the organisation) but it cannot work without fuel (the context).

There is a danger that attempting to meet a priori goals becomes the priority of partnership working, which can be limiting (Rees, Mullins and Bovaird, 2012).

Key Points

Based on the evidence presented, key points are noted here in order of the stages:

Pre-planning

1. Conduct a thorough assessment of the current landscape in Wales that incorporates the possible implications of leaving the EU
2. Refer to previous evaluations and assessments of regional working both in Wales and other regions/countries, and other social research on the topic (Gatehouse and Price, 2013)

Planning

1. Commit to investing in institutional capacity development across organisations in the public and third sectors in order to maximise the benefits of regional working
2. Ensure there is room as unexpected challenges arise for adaptation and learning
3. Facilitate stakeholder engagement in the planning phase
4. Establish roles of responsibility and accountability for collaborative working
5. Prepare workforce planning ahead of implementing any reforms, incorporating skills distribution
6. Conduct a prioritisation exercise for reform action and measures

7. Undertake a role of proactive driver in reform plans and processes but not dictating how these should be done

Implementation

8. Use self-assessment tools, such as the common assessment framework, to monitor progress regularly
9. Develop leadership and project management capacity, encouraging more of a risk-taking culture which promotes innovative working
10. Identify training opportunities and providers for enhancing IC and supporting good governance throughout the reform period
11. Invest in IT to increase technical and digital expertise and capacity

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Thematic Objective 11: *Enhancing institutional capacity of public authorities and stakeholders and efficient public administrations*

Investment Priority: *Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance*

Specific Objective: To integrate sustainable public services through capable and collaborative institutions

Development needs / Opportunities	Impact sought (assessed via evaluation)	Common ESF Result Indicators (headline only - sub sets required)	Type of Actions to be Supported (Examples only)	Outputs - where targets will be set
<p>There is an increasing evidence base pointing to the importance of institutional capacity as a factor affecting the relative success of regional investments (OECD). Having the right capacity in place can therefore magnify the effect and impact of regional investments; with ineffective arrangements having a negative effect.</p> <p>Difficulties instituting public sector reform in Wales over the last 20 years suggests some resistance to new ways of working; but collaborations levered by ESI funds are providing some evidence of the effectiveness of regional partnership working. Plans for local government reform in Wales are in place, built in part around strengthened and mandatory regional working (Resilient and Renewed Regional Working, 2017). Dedicated additional investment could lever quicker, wider and more systematic reform.</p> <p>Since devolution, Wales has a tradition of promoting partnership working across the public, private and third sectors to deliver public services (McQuaid and Usher, 2017), favouring collaboration over competition (Carter-Davies and Martin, 2016). This has generated mixed outcomes; Wales has higher rates of public satisfaction but some local authorities' performance are worse than England and Scotland (Carter-Davies and Martin, 2016).</p> <p>Pressures on public services in Wales have been increasing as we face demographic shifts of an increasing yet ageing population (Future Trends, 2017), extended public sector austerity, and rising expectations for public services; with citizen expectations of personalised and simplified services (EC, 2016). For the non-profit sector, scarcer funding and increased demand for services diminished their ability to deliver consistently high quality services (Scragg, 2009), and to work collaboratively with other sector organisations (Williams, 2017). Given the move towards collaborative, regionalised working</p>	<p>Financially sustainable public services at a regional level (e.g. significantly improved outcomes at higher cost, same outcomes at lower cost, or service transformation via scale)</p> <p>Long-term increase in productivity in service delivery (<i>Note: the expectation is there will be an initial decrease in productivity during adaptation to new systems / processes</i>)</p> <p>Quicker and more responsive service delivery</p>	<p>Governance</p> <ul style="list-style-type: none"> No. organisations that have implemented a capacity building plan addressing findings of a capacity and capability assessment. <p>Systems</p> <ul style="list-style-type: none"> No. new / improved regional services Share of services delivered regionally <p>Skills and Training</p> <ul style="list-style-type: none"> Proportion of staff working regionally having undertaken core training No. staff trained in professional / technical skills (qualification) 	<p>As set out in the needs / opportunities, governance needs to be in place prior to investing extensively in new systems, skills, and networks. Regional working will be mandatory, but this priority offers the opportunity to accelerate and broaden this process and act as a tool for change in the regions. Significant flexibility will need to be maintained to allow regions to tailor approaches to deliver outcomes, rather than seek to prescribe that process. Actions are not intended to be solely focussed on local government: complementary investment will be needed in the capacity of partners to engage effectively and support the delivery and development of services.</p> <p>At the local government level it will be essential to ensure Elected Members remain at the heart of decision making, and are key components of governance and systems; but also have the right skills and drive active networks. Funding is not expected to finance normal service delivery.</p> <p>Governance and planning</p> <p>This might involve undertaking capacity and capability assessments including future need. Local Government (LG) reform already sets out areas for minimal requirements for regional working, including establishing Joint Governance Committee's (JGC) in each region. Proposals to go beyond these minimal requirements may need to be worked up, building consensus, and committed to. This might involve any of the following (if not already in place):</p> <ul style="list-style-type: none"> Develop tools to assess capacity and capability (e.g. working with organisations like the OECD). Carrying out assessments of existing capability, future requirements, and developing plans to address them (e.g. human resources, funding, systems, etc.) Putting in place new / improved collaborative or regional partnerships or networks, with clarity over roles and functions. Focus should be on building on existing arrangements where possible, and incorporating links to third sector and other 	<p>Governance and planning</p> <ul style="list-style-type: none"> No. tools developed to assess regional capacity and capability for delivery of services No. organisations carrying out a capacity and capability assessment No. new or improved regional partnerships or networks No. of future regional service delivery plans agreed <p>Systems</p> <ul style="list-style-type: none"> No. of projects to improve / put in place regional services No. of new or improved systems, processes or tools developed for improved service delivery <p>Skills and Training</p> <ul style="list-style-type: none"> No. people participating in training to improve their professional competence for

<p>involving non-government organisations, the capacity of the non-profit sector must be maximised where possible. Some areas may face difficulty attracting and retaining suitably qualified staff to deliver high quality services; regionalisation potentially offers more varied career paths (Resilient and Renewed Regional Working, 2017)</p> <p>Building institutional capacity of the public sector can ensure that public administrations are equipped to deal with challenges in the long term (European Commission, 2014). In Wales regionalisation – where appropriate – will be put in place as a mechanism to improve the resilience of services, improve outcomes, seek economies of scale for some services and specialist advice, reduce costs where possible, and promote collaboration (Resilient and Renewed Regional Working, 2017).</p> <p>Evidence also exists to point to the areas in which to target investment and mechanisms by which to do so. For planning to be as flexible as possible as there may be need for changes to be made (Blum, Manning and Srivastasa, 2012). Lessons from 2007-2013 highlight the need for a clearer intervention logic and more targeted outcomes (Ex Post Evaluation), leading to priority areas:</p> <ul style="list-style-type: none"> • governance arrangements that do not overcomplicate structures (Cole and Stafford, 2014), but also do not undermine democratic legitimacy (Rees, Mullins and Bovaird, 2012); • skills and training to ensure staff have the knowledge and skills required for effective reform (EUPAN, 2014), in particular leadership (European Commission, 2014) and project management (Downe and Hayden, 2016); • putting in place durable systems to secure institutional memory, in particular via innovation to improve existing procedures (OECD, 2013; Rodriguez-Pose and Di Cataldo, 2015; Huggins, 2016) and investment in IT systems and exploitation including provision of online services (EUPAN, 2014); and • maximising existing networks as a springboard for collaboration (Ex Post Evaluation), but networks need to be actively managed (Entwistle, 2014). <p>It is necessary to agree organisational structures and processes before investing in IT equipment and services to enhance efficiency and avoid replicating old structures and processes in digital formats (EC, 2016).</p>		<p>Networks</p> <ul style="list-style-type: none"> • No. active and representative networks supporting regional working 	<p>service providers.</p> <ul style="list-style-type: none"> • Identify additional services best delivered regionally and efficient means of doing so, including potential for online and alternative delivery models (e.g. third sector delivery). • Developing appropriate administrative structures (e.g. reallocation of functions, improving management structures, devolution of funding / assets, etc.) <p>Systems</p> <ul style="list-style-type: none"> • Invest in integrated systems (including IT / technology platforms and quality management systems) that meet future need and do not simply replicate legacy systems. • Decision-making processes and systems, including delegation of functions and appropriate control systems. • Ensure suitable capacity and systems for meaningful partnership working across regions; both between institutions and with stakeholders, including the third sector and other delivery bodies (e.g. policy making, public participation, implementation of legislation and enforcement, transparency and accountability, etc.). • Put in place new approaches to integrated service delivery (e.g. via online provision, aggregated administration, one-stop-shops, joint / shared services, pooled specialist services, etc.) <p>Skills and Training</p> <ul style="list-style-type: none"> • Invest in skills in line with capability assessments, as well as delivering human resource strategies. • Focus on leadership, project management and managing change as general skills, including for Elected Members. • Specific / technical skills investment to address identified gaps or technical need. • Investing in skills of delivery partners and stakeholders, such as the third sector, to work regionally and with new structures and systems. <p>Networks</p> <ul style="list-style-type: none"> • Identify and strengthen capacity in key networks to address future needs and ensure active management and sustainability if staff change, including and linked to JGCs • Expand membership and communication tools to broaden networks where necessary, ensuring balanced representation, including the third sector and other delivery partners. • Develop networks for learning and sharing experience across functional areas during and after reform processes 	<p>regional working, in line with HR plans</p> <ul style="list-style-type: none"> • No. staff gaining new technical skills and qualifications <p>Networks</p> <ul style="list-style-type: none"> • No. new or improved networks • No. networks with multi-year plans and associated funding
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DRAFT

**WALES PROGRAMME MONITORING COMMITTEE, EUROPEAN
STRUCTURAL AND INVESTMENT FUNDS 2014 – 2020:**

Amendment to the 2014-2020 ESF Programmes

Issue

1. The PMC is asked to agree amendments to be made to the 2014-2020 ESF Programmes, which relate to:
 - Reallocation of funding as a result of improving labour market conditions and the changing investment context.
 - Creating a new Priority Axis for 'Institutional Capacity Building and Regional Working' in both programmes.
 - For East Wales only, addition of a new 'Specific Objective' for higher level skills to mirror the West Wales and the Valleys programme.
 - Changes to the indicators and targets within the agreed programmes to reflect updated evidence and to maintain a focus on results.
 - Clarifications to text to ensure eligibility is not unintentionally constrained.

Recommendation

2. In line with Article 110 of Regulation EU 1303/2013, there is a requirement for the PMC to examine and approve any proposal to amend the Operational Programmes proposed by the Managing Authority.

Background

3. In reaching the mid-stage of the 2014-2020 Structural Funds programmes, a review of delivery to date and expected pipeline projects has identified some potential modifications needed to the Operational Programmes.
4. The PMC has had preliminary discussions on the proposed approach to modifications and the associated timescale at the June and September 2017 meetings.
5. Members have already approved minor modifications relating to additional funding allocations to both the ERDF & ESF West Wales & the Valleys programmes. These have been submitted to the EC for agreement.

The changes proposed

6. The proposed amendments to the ESF Programmes are set out in detail in the attached Annex A. In summary, the proposals relate to:
- A reallocation of EU funds from Priority 1 (Tackling Poverty through Sustainable Employment) and Priority 2 (Skills for Growth) into a new Priority Axis for 'institutional capacity building and regional working' under both programmes. Revised financial tables reflecting this are included at Annex B.
 - For East Wales only an addition of a new Specific Objective for higher level skills (mirroring the West Wales and the Valleys programme) and for some of the reallocated funds from Priority 1 and 2 to be directed to Priority 3 (youth employment). Revised financial tables reflecting this are included at Annex B.
 - An adjustment of targets to ensure they remain reasonable and reflect updated evidence without diluting the focus on results. The changes are described in detail in Annex C.

Thematic Concentration and Earmarking targets

7. The regulations require minimum allocations to be directed towards a combination of different 'Thematic Objectives', as well as contributing to broader targets to address climate change. The proposals set out within this document ensure that all earmarking and thematic concentration targets are still met.
8. Following PMC agreement and prior to formal submission, WEFO will need to liaise with the UK Government to ensure there is no negative effect on overall UK targets in these areas. This is not expected as convention has been for each devolved administration to meet its 'share' of targets, unless a prior agreement is reached.
9. The original Operational Programme documents were subject to Strategic Environmental and Equality Impact Assessments, the requirement to revisit these in light of the changes proposed will also be undertaken.

Next Steps

10. Subject to the PMC's approval, the proposals will be forwarded to the European Commission for formal consideration in early 2018 with the aim of reaching agreement by the middle of next year.

WEFO Lead: Tom Smithson
Approved by: Rob Halford
November 2017

Annex A

Review and Proposed Modifications

1. The review highlighted a particular issue relating to ESF **Priority 1** (Tackling Poverty through Sustainable Employment), where commitment levels remain below expectations despite the £40m call for proposals earlier this year. This is attributable to a number of factors, but is primarily a consequence of improved labour market conditions, with unemployment in Wales now lower than the UK average and, at 4.1%, close to an all time low. This is positive news but means that there are fewer unemployed people potentially wanting to access the ESF programmes than initially forecast when designing the programmes.
2. Identifying match funding is also an issue given continued public sector austerity, lower levels of private investment, and lower intervention rates in East Wales (requiring, on average, a 50% match-funding contribution). This is particularly acute for the ESF given the reliance on public sector match funding.
3. In view of this, WEFO are proposing to reallocate €19,890,000 based on WEFO planning rate) of unallocated EU funds from Priority 1 of both the West Wales & the Valleys (€8,190,000) and East Wales (€11,700,000) programme into a new Priority Axis for institutional capacity building and regional working.
4. No reductions to existing Priority 1 output and result indicators are proposed.
5. The review also identified an issue in **Priority 2** (Skills for Growth) in terms of both commitment levels and targets.
6. Activities under this priority are demand led, with employed participants being engaged mostly in their workplaces and training interventions provided in response to market needs. Experience of implementation to date shows that there is generally lower demand than anticipated to train participants to CQFW level 2 (and conversely higher demand to train participants to levels 3 and above). The programme's Socio-Economic Analysis foresaw that over the programme period there would be an ongoing fall in the proportion of jobs requiring qualifications at level 2 and below, and this seems to be borne out in the pattern of demand for training which is emerging in practice.
7. As a consequence WEFO proposes some reductions to targets for participants being trained to level 2 and below. In Priority 2 it is also proposed to merge the indicators "Employed participants with no formal qualifications" with "Employed participants with qualifications up to and including a lower secondary education" including the associated outcomes but with no change to the overall participant numbers or conversion rate. This will also be reflected in the performance framework.

8. Along with this, €17,550,000 of funding can be released (€8,190,000 West Wales and the Valleys, €9,360,000 East Wales) for other priorities. WEFO therefore proposes to transfer €11,700,000 to the new institutional capacity building priority (€8,190,000 West Wales and the Valleys, €3,510,000 East Wales) and €5,850,000 to Priority 3 (Youth Employment) in East Wales.
9. **Priority 3** (Youth Employment) is performing particularly well in terms of funding commitment with a strong pipeline of new projects and extension requests that could absorb an additional €5,850,000 from Priority 2. This was an innovative area of activity for 2014-2020 and the proposed additional funding will help to deliver further valuable contributions to overall programme performance in East Wales. At the end of 2016, across the whole of Wales 10.4% of 16-18 year olds and 18.5% of 19-24 year olds were estimated to be Not in Education Employment or Training (NEET); a small reduction from 2015. Indicator targets will be increased in proportion to increased funding to reflect this ongoing need.

Other changes

10. The modifications also provide opportunity to add a new specific objective, *'To increase the number of people with graduate degrees or equivalent undertaking research and innovation activities with enterprise'* in East Wales for higher level skills supporting smart specialisation. This will mirror the West Wales & the Valleys programme and allow for support to be offered on a pan-Wales basis.
11. WEFO are also proposing adjustments to the text of programmes to unlock further opportunities to ensure that work is stable and sustainable for those with barriers such as care costs, travel costs or essential equipment or clothing. This potential for enhanced in-work support to participants of 'into employment' projects will better support the transition into work during the critical first 6 to 9 months of a new job in order to deliver better quality outcomes.
12. The remaining changes being proposed are to adjust a small number of indicators and targets to reflect more up-to-date evidence and to resolve some difficulties encountered in implementation. This includes amendments to the Technical Assistance indicators to make them consistent across programmes and correct some assumptions.

New ESF Priority Axis for institutional capacity building and regional working

13. As noted above, WEFO is recommending the introduction of a new priority axis relating to 'institutional capacity and regional working' into the ESF programmes. The intention would be for this funding to be directly aligned to proposals set out in the Local Government reform White Paper,

Reforming local government: Resilient and renewed, and in particular support for proposals for enhanced regional working in Wales.

14. A literature review has been carried out, and draft intervention logic prepared. These have been circulated to members and will form the basis of a construction of a new Priority Axis for each programme. This will be subject to further development and negotiation with the European Commission.
15. Local Government reform and related capacity building for a range of actors will be an incremental process. Different parts of Wales and different institutions will be able to move at different paces and have different needs. For example investments might seek to add value to basic capacity building activity such as skills, governance and common systems (including IT). The Priority Axis will thus incorporate the possibility of a range of different activity, but will have a smaller set of key results that operations must demonstrate progress towards. This is set out in the draft intervention logic.
16. Subject to agreement from the PMC and as negotiations progress with the European Commission WEFO will need to work closely with colleagues across Welsh Government and beyond to develop project proposals in tandem. This would enable early approvals and implementation within the programme life.

Annex B1: proposed revisions to the ESF West Wales and the Valleys Operational Programme financial tables
Proposed reallocation

Table 1a Priority 1 Tackling Poverty through Sustainable Employment (ESF Grant / EU Contribution only)

Thematic Objective	Current ESF (€)	Proposed ESF (€)	Change in allocations
Promoting social inclusion, combating poverty and any discrimination	195,964,437	187,774,437	-8,190,000

Table 1b Priority 2 Skills for Growth (ESF Grant / EU Contribution only)

Thematic Objective	Current ESF (€)	Proposed ESF (€)	Change in allocations
Investing in education, training and vocational training for skills and life-long learning	326,407,266	318,217,266	-8,190,000

Table 1c Priority 5 Institutional capacity building and regional working (ESF Grant / EU Contribution only)

Thematic Objective	Current ESF (€)	Proposed ESF (€)	Change in allocations
Institutional Capacity Building	0	16,380,000	+16,380,000

Table 1d - ESF West Wales and the Valleys Revised financial table

Priority Axis	Thematic Objective	Union support €	National counterpart €	Total funding €
Priority Axis 1	3 Promoting Social Inclusion and Tackling Poverty	187,774,437	50,022,762	237,797,199
Priority Axis 2	1 Promoting Employment and Supporting Labour Mobility	21,422,486	7,386,514	28,809,000
	2 Investing in Education, Skills and Lifelong Learning	318,217,266	123,960,827	442,178,093
Priority Axis 3	1 Promoting Employment and Supporting Labour Mobility	134,592,585	46,408,740	181,001,325
	2 Investing in Education, Skills and Lifelong Learning	110,121,206	37,970,787	148,091,993
Priority Axis 4	Technical Assistance	16,046,806	5,533,084	21,579,890
Priority Axis 5	Enhancing institutional capacity of public authorities and stakeholders and efficient public administration	16,380,000	5,372,197	21,752,197
Total Programme		804,554,786	276,654,911	1,081,209,697

Annex B2: proposed revisions to the ESF East Wales Operational Programme financial tables

Table 2a Priority 1 Tackling Poverty through Sustainable Employment (ESF Grant / EU Contribution only)

Thematic Objective	Current ESF (€)	Proposed ESF (€)	Change in allocations
Promoting social inclusion, combating poverty and any discrimination	43,784,989	32,084,989	-11,700,000

Table 2b Priority 2 Skills for Growth (ESF Grant / EU Contribution only)

Thematic Objective	Current ESF (€)	Proposed ESF (€)	Change in allocations
Investing in education, training and vocational training for skills and life-long learning	90,553,583	81,193,583	-9,360,000

Table 2c Priority 3 Youth Employment and Attainment (ESF Grant / EU Contribution only)

Thematic Objective	Current ESF (€)	Proposed ESF (€)	Change in allocations
Investing in education, training and vocational training for skills and life-long learning	14,994,279	20,844,279	+5,850,000

Table 2d Priority 5 Institutional capacity building and regional working (ESF Grant / EU Contribution only)

Thematic Objective	Current ESF (€)	Proposed ESF (€)	Change in allocations
Institutional Capacity Building	0	15,210,000	+15,210,000

Table 2e - ESF East Wales Revised financial table

Priority Axis	Thematic Objective	Union support €	National counterpart €	Total funding €
Priority Axis 1	3 Promoting Social Inclusion and Tackling Poverty	32,084,989	32,084,989	64,169,978
Priority Axis 2		86,123,905	91,723,464	177,847,369
	1 Promoting Employment and Supporting Labour Mobility	4,930,322	4,930,322	9,860,644
	2 Investing in Education, Skills and Lifelong Learning	81,193,583	86,793,142	167,986,725
Priority Axis 3		65,827,115	65,827,115	131,654,230
	1 Promoting Employment and Supporting Labour Mobility	50,832,836	50,832,836	101,665,672
	2 Investing in Education, Skills and Lifelong Learning	14,994,279	14,994,279	29,988,558
Priority Axis 4	Technical Assistance	4,066,245	4,066,245	8,132,490
Priority Axis 5	Enhancing institutional capacity of public authorities and stakeholders and efficient public administration	15,210,000	15,855,517	31,065,517
Total Programme		203,312,254	209,557,330	412,869,584

Annex C

Table 3: Priority 1 – Performance Framework (Current)

Priority	Indicator	West Wales and the Valleys		East Wales	
		Milestone target to end 2018	Final target to end 2023	Milestone target to end 2018	Final target to end 2023
1	Eligible Expenditure (€M)	63	248	22	88
1	Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment	9,182	36,000	3,239	12,700
1	Long-term unemployed (aged 25 and over) who have complex barriers to employment	2,755	10,800	969	3,800

Table 4: Priority 1 – Performance Framework (Revised)

Priority	Indicator	West Wales and the Valleys		East Wales	
		Milestone target to end 2018	Final target to end 2023	Milestone target to end 2018	Final target to end 2023
1	Eligible Expenditure (€M)	53	238	13	64
1	Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment	9,182	36,000	3,239	12,700
1	Long-term unemployed (aged 25 and over) who have complex barriers to employment	2,755	10,800	969	3,800

Table 5: Priority 2: Skills for Growth

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Revised Target	Target	Revised Target
SO2.1 To increase the skills levels, including work relevant skills, of those in the workforce with no or low skills	Employed including self-employed participants with no formal qualifications - Male	14,029	-	7,799	-
	Employed including self-employed participants with no formal qualifications - Female	12,771	-	7,101	-
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Male	23,870	37,899	13,296	21,095
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Female	21,730	34,501	12,104	19,205
	Employed including self employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - Male	72%	72%	72%	72%
	Employed including self employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - Female	72%	72%	72%	72%
	Employed including self-employed participants with up to and including a lower secondary education gaining an essential skills or technical or job specific qualification at lower secondary level upon leaving - Male	72%	72%	72%	72%
	Employed including self-employed participants with up to and including a lower secondary education gaining an essential skills or technical or job specific qualification at lower secondary level upon leaving - Female	72%	72%	72%	72%

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Revised Target	Target	Revised Target
SO2.2 To increase the number of people in the workforce with technical and job specific skills at an intermediate and higher level.	Employed including self-employed participants with lower secondary education (CQFW 2) - Male	16,070	16,070	6,438	6,438
	Employed including self-employed participants with lower secondary education (CQFW 2) - Female	14,630	14,630	5,862	5,862
	Employed including self employed participants with upper secondary (CQFW 3) education or above - Male	10,731	10,731	4,292	4,292
	Employed including self employed participants with upper secondary (CQFW 3) education or above - Female	9,769	9,769	3,908	3,908
	Employed including self-employed participants with lower secondary education (CQFW 2) gaining a technical or job specific vocational qualification upon leaving at upper secondary (CQFW 3) level or above - Male	60%	60%	60%	60%
	Employed including self-employed participants with lower secondary education (CQFW 2) gaining a technical or job specific vocational qualification upon leaving at upper secondary (CQFW 3) level or above - Female	60%	60%	60%	60%
	Employed including self employed participants with upper secondary (CQFW 3) education or above gaining a technical or job specific vocational qualification at or above upper secondary (CQFW 3) level upon leaving - Male	60%	60%	60%	60%
	Employed including self employed participants with upper secondary (CQFW 3) education or above gaining a technical or job specific vocational qualification at or above upper secondary (CQFW 3) level upon leaving - Female	60%	60%	60%	60%

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Revised Target	Target	Revised Target
SO2.3 To increase the number of people with graduate degrees or equivalent undertaking research and innovation activities with enterprise	Participants with graduate degree or equivalent - Male	780	780	n/a	125
	Participants with graduate degree or equivalent - Female	720	720	n/a	125
	Number of enterprises collaborating with learning providers	750	750	n/a	n/a
	Participants with a graduate degree or equivalent gaining a qualification upon leaving at Masters (CQFW 7) or Doctoral (CQFW 8) level - Male	63%	63%	n/a	63%
	Participants with a graduate degree or equivalent gaining a qualification upon leaving at Masters (CQFW 7) or Doctoral (CQFW 8) level - Female	63%	63%	n/a	63%
	Participants with graduate degree or equivalent in employment upon leaving - male	52%	52%	n/a	52%
	Participants with graduate degree or equivalent in employment upon leaving - female	52%	52%	n/a	52%
SO2.4 To improve the position of women in the workforce	Number of supported micro small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)	800	800	300	300
	Employed including self-employed	4,400	4,400	1,500	1,500
	Participants gaining a qualification upon leaving	75%	75%	75%	75%
	Supported Enterprises having adopted or improved equality and diversity strategies and monitoring systems	50%	50%	50%	50%
	Participants with an improved labour market situation upon leaving	40%	40%	40%	40%

Source: WEFO, 31/10/2017

Table 6: Priority 2 – Performance Framework (Current)

Priority	Indicator	West Wales and the Valleys		East Wales	
		Milestone target to end 2018	Final target to end 2023	Milestone target to end 2018	Final target to end 2023
2	Eligible Expenditure (€M)	122	480	50	197
2	Employed participants with no formal qualifications - Male ²	3,578	14,029	1,989	7,799
2	Employed participants with no formal qualifications - Female ²	3,258	12,771	1,811	7,101
2	Employed participants with qualifications up to and including a lower secondary education - Male	6,088	23,870	3,391	13,296
2	Employed participants with qualifications up to and including a lower secondary education - Female	5,543	21,730	3,087	12,104
2	Employed participants with lower secondary education - Male	4,099	16,070	1,642	6,438
2	Employed participants with lower secondary education - Female	3,732	14,630	1,495	5,862

Table 7: Priority 2 – Performance Framework (Revised)

Priority	Indicator	West Wales and the Valleys		East Wales	
		Milestone target to end 2018	Final target to end 2023	Milestone target to end 2018	Final target to end 2023
2	Eligible Expenditure (€M)	113	471	31	178
2	Employed participants with qualifications up to and including a lower secondary education - Male	9,666	37,899	5,380	21,095
2	Employed participants with qualifications up to and including a lower secondary education - Female	8,801	34,501	4,898	19,205
2	Employed participants with lower secondary education - Male	4,099	16,070	1,642	6,438
2	Employed participants with lower secondary education - Female	3,732	14,630	1,495	5,862

Table 8: Priority 3: Youth Employment and Attainment

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Revised Target	Target	Revised Target
SO3.1 To reduce the number of 16-24 year olds who are Not in Employment Education or Training (NEET)	NEET Participants (16 - 24 years of age)	42,700	42,700	21,200	21,200
	NEET Participants (16 - 24 years of age) gaining qualifications upon leaving - with primary or lower secondary education	8,540	8,540	4,240	4,240
	NEET Participants (16 - 24 years of age) in education/training upon leaving	7,259	7,259	3,604	3,604
	NEET Participants (16 - 24 years of age) entering employment upon leaving	11,956	11,956	5,936	5,936
SO3.2 To reduce the number of those at risk of becoming NEET, amongst 11-24 year olds	Participants at Risk of becoming NEET (11-24)	49,700	49,700	13,000	18,072
	Participants at risk of becoming NEET (11-24 years of age) gaining qualifications upon leaving - with primary (CQFW 1) or lower secondary education (CQFW 2)	3,479	3,479	3,510	4,900
	Participants at risk of becoming NEET(11-24) into education/training upon leaving	9,443	9,443	2,340	3,300
	Participants at Risk of becoming NEET (11-24) at reduced risk of becoming NEET upon leaving	-	-	-	-

Specific Objective	Outputs	West Wales and the Valleys		East Wales	
		Target	Revised Target	Target	Revised Target
SO3.3 To increase the take up of and attainment levels in STEM subjects amongst 11-19 year olds	Young People 11 -19 years of age - Male	8,400	8,400	n/a	n/a
	Young People 11 -19 years of age - Female	15,000	15,000	n/a	n/a
	Young People 11-19 years of age completing training in maths Science Engineering and Technology - Male	4,620	4,620	n/a	n/a
	Young People 11-19 years of age completing training in maths Science Engineering and Technology - Female	8,250	8,250	n/a	n/a
	11-19 years of age participants who continue to study a Maths Science Engineering and Technology subject post 16 - Male	3,780	3,780	n/a	n/a
	11-19 years of age participants who continue to study a Maths Science Engineering and Technology subject post 16 - Female	6,750	6,750	n/a	n/a
SO3.4 To increase the skills of the Early Years and Childcare workforce	Employed including self-employed Participants from early years and childcare sector - male	300	300	n/a	n/a
	Employed including self-employed Participants from early years and childcare sector - female	2,700	2,700	n/a	n/a
	Employed including self employed Participants from early years and childcare sector gaining qualifications upon leaving - Male	231	231	n/a	n/a
	Employed including self employed Participants from early years and childcare sector gaining qualifications upon leaving - Female	2,079	2,079	n/a	n/a

Source: WEFO, 31/10/2017

Table 9: Priority 3 - Performance Framework (Current)

Priority	Indicator	West Wales and the Valleys		East Wales	
		Milestone target to end 2018	Final target to end 2023	Milestone target to end 2018	Final target to end 2023
3	Eligible Expenditure (€M)	84	329	31	120
3	NEET Participants (16 - 24 years of age)	10,891	42,700	5,407	21,200

Table 10: Priority 3 - Performance Framework (Revised)

Priority	Indicator	West Wales and the Valleys		East Wales	
		Milestone target to end 2018	Final target to end 2023	Milestone target to end 2018	Final target to end 2023
3	Eligible Expenditure (€M)	84	329	31	132
3	NEET Participants (16 - 24 years of age)	10,891	42,700	5,407	21,200

WALES PROGRAMME MONITORING COMMITTEE, EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020:

Proposals for second amendment of the *Welsh Government Rural Communities - Rural Development Programme 2014-2020*

Issue

1. The Welsh Government is proposing to submit a modification to the European Commission on the Welsh Government – Rural Communities Rural Development Programme 2014-2020 (RDP). Article 11 of Regulation (EU) No. 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) permits Member States to request amendments to their Programmes.

Background

2. The RDP was approved by the European Commission on the 26th of May 2015. The first amendment to the RDP was approved by the European Commission on the 28 June 2017. The Welsh Government proposes to make a further amendment to the RDP so, in accordance with Article 49(3) of Regulation (EU) No. 1303/2013, the Managing Authority is seeking the opinion of the Programme Monitoring Committee (PMC) on the proposed changes, listed in **Annex 1**, before submitting the Programme amendment request to the European Commission.

The proposed amendment is set out below according to the requirements set out in Article 4 of Regulation (EU) No. 808/2014.

Type of amendment – Article 11, Regulation (EU) No. 1305/2013:

The proposed amendment falls under type a) Decision as it involves a change under Article **11(a) (i)** (First paragraph of Article 4(2) of Regulation (EU) 808/2014): “a change in the programme strategy through a change of more than 50 % in the quantified target linked to a focus area”. Programme amendments of the type referred to in Article 11(a)(i) of Regulation (EU) No 1305/2013 may be proposed no more than three times during the duration of the programming period.

The proposed modification will also include the following types of amendment:

11(b):

- (i) the introduction or withdrawal of measures or types of operations;
- (ii) changes in the description of measures, including changes of eligibility conditions;

11(c) corrections of a purely clerical or editorial nature that do not affect the implementation of the policy and the measures

Relationship between the change and the PA

The Partnership Agreement will be updated accordingly to reflect changes outlined in Annex 1 in particular amendments to the respective indicative allocation by ESI fund, indicative allocation of support by the Union by thematic objective at national level for each of the ESI Funds, as well as the total indicative amount of support envisaged for climate change objectives

Type of Amendment	Section of Programme to be amended	Measure	Amendment needed	Reason
Article 11 b (i)	Section 10 and 11: Indicator + Financial + text change	2.3	Remove Measure 2.3	The Welsh Government has been unable to secure the services of a third party to deliver training for advisors through a competitive procurement process. In order to avoid any delays in implementing the Advisory Service (M2.1 & 2.2), which was procured successfully through the same procurement process, the Welsh Government implemented a short term provision for training advisors. The successful implementation of the alternative has resulted in this provision now being implemented permanently, therefore measure 2.3 is no longer required. The provision ensure that advisors attend mandatory events as identified by the Welsh Government to ensure consistent delivery of key messages, including broader knowledge of objectives and activities delivered under the wider RDP. The Welsh Government also insist that advisors have utilise all existing industry CPD provisions available, thus avoiding duplication.
Article 11 b (ii)	Section 8.2:Sub Measure 4.1	4.1	Specific small grant to be introduced along the lines of the Farm Business Grant. The maximum grant rate will be between £20,000-£30,000. New Standard cost list also to be submitted.	Change to sub measure 4.1 required to introduce a specific small grant. The maximum grant will be around £20,000 - £30,000 and it will cover all items linked to nutrient efficiency which means some existing items moving from the Farm Business Grant (FBG) and a new standard cost list provided. There will also make some changes to the Farm Business Grant including removing the 'one application' rule and some changes to how they do the final VFM score.
Article 11 b (ii)	Section 8.2.3.3.1.8. (Applicable) amounts and support rates	4.1	Increase upper range of grants for standardised costs from £12,000 (€15,000) to £50,000 (€62,500), to allow for possible use in SPG.	Current grant range for standardised costs is €3,000 to €15,000.
Article 11 b (i)	Section 10 and 11: Indicator + Financial + text change	4.3	Re-introduce sub-Measure 4.3 also text changes to M8.1, M8.2.	Need to re-activate M4.3 in order to have investment funding for the access roads to permit forestry work to take place due to possible new scheme similar to Scottish Government's "Sheep and Trees" scheme. Our idea is to produce an Agro-Forestry scheme, which will use RDP measures 8.1 (for planting shelter-belts), 8.2 (to apply to the combined afforested and grazing areas), and 4.3 (to provide access to the new planting and within or next to the newly wooded area). In original Programme document M4.3 aligned to Focus Areas 2a, 5c, 5e and 6a (both finances and indicator targets for all of these FAs).
Article 11 c	Section 10 and 11: Indicator + Financial + text change	4.4	Amend Focus Area alignment for Measure 4.4	Glastir Small Grants scheme (GSG) under M4.4 currently only assigned to P4 (4a - Landscape and Pollinators and 4b - Water) - should also be assigned to FA5e (carbon). Correction of error with original FA targets / allocation provided
Article 11 b (ii)	Section 8.2: Sub-Measure 4.4	4.4	Remove text on beehives	This should have been removed in the last modification but Welsh Government failed to remove it, Welsh Government agreed to remove it in the next modification.
Article 11 b (i)	Section 10 and 11: Indicator + Financial + text change	6.2	Remove Measure 6.2	Measure 6.2 to be removed and funds re-allocated to measure 6.4. Food Division and E&I decided to avoid the Start-Up Aid lump sum route, preferring to channel all support for new-starts, diversification and development of existing non-agricultural businesses through M6.4 (via the Micro and Small Business Fund delivered by Visit Wales of Welsh Government and the Rural Business Investment Scheme - Food delivered by the Food Division of the Welsh Government). Both Financials and Indicators will need to be adjusted for M6.4 (Visit Wales delivery) given M6.2 funds to be re-allocated to M6.4.

Type of Amendment	Section of Programme to be amended	Measure	Amendment needed	Reason
Article 11 b (ii)	Section 8.2: Sub Measure 10.1	10.1	M10.1 Glastir Advanced - new short contracts for Glastir Advanced 2013 and Glastir Advanced 2014 to 2019.	Contract extension to 2019-Glastir Advanced is the flagship Agri Environment scheme of Wales' RDP. The monitoring results to date are excellent and the Independent Evaluation Panel's report was mostly positive. The weight of evidence points to maximum environmental benefits being delivered in the 7-10 year window of contracts. It is proposed to extend those contracts expiring in 2017 and 2018 to build a transition bridge to future land management support. The extensions would cover revenue aspects of the scheme only and would be properly caveated with the necessary break clauses in case of issues with future funding.
Article 11 b (i)	Text changes	10.1	Land transfers in Glastir	Changes to the sub-measure 10.1 text may be required for Glastir commitments to go beyond 7 years if the regulations permit
	indicator + Financial + text change	15.1	Glastir Woodlands - area payments under M15.1	Will be removed from the Programme. Currently aligned to Focus Areas 4a, 4b & 4c (P4 Forestry). Current budget of £300k. Finance has been moved to the Cooperative Forest Planning Scheme.
Article 11 b (ii)	Section 10 and 11: Indicator + Financial plans	16.1	EIP - Measure 16.1	Possible re-distribution of EIP target across Focus Areas.
Article 11 b (ii)	Section 7 and 11: Indicator Plan / Performance Framework	16.8	Reduction of targets / funds for M16.8 (Cooperative Forest Planning)	Original target set in error (likely reduction from 600 to 6 operations). The original target of 600 was for a completely different delivery mechanism / scheme. A decision was made not to go ahead with that scheme, with the funds moved to sub-measure 16.8 in order for the Welsh Government to launch a scheme facilitating proposals aimed at Wales-wide collaborative woodland creation planning projects. By their nature, there is unlikely to be many proposals, the Welsh Government have only received 2 through the first EOI window but they appear to be strong EOIs and the Welsh Government are happy with the level of response. Welsh Government have broadened the Selection criteria slightly for the second EOI window, however a total of 6 operations during the Programme lifetime is still a realistic number. Wording under Section 8.2 to be changed.
Article 11 a	Section 10 and 11: indicator + Financial + text change	all	Performance Framework / indicator plan	Once revised financial allocations are known impact on PF targets and likelihood of achievement (activity & financial milestones) will be evaluated and amendments proposed accordingly.

[illegible]

WALES PROGRAMME MONITORING COMMITTEE, EUROPEAN STRUCTURAL AND INVESTMENT (ESI) FUNDS 2014 – 2020:

IMPLEMENTATION OF THE CROSS CUTTING THEME: TACKLING POVERTY & SOCIAL EXCLUSION

Issue

1. This paper provides the annual review of progress of the implementation of Tackling Poverty and Social Exclusion cross cutting theme in the ERDF and ESF European Structural and Investment (ESI) funds 2014 – 2020.

Recommendation

2. Members are invited to note the content of the report and to provide comments accordingly.

Background

3. Europe 2020 is the EU Platform against Poverty which supports the Commission's focus on tackling poverty and social exclusion and will deliver to the EU 2020 target of 20 million fewer people in poverty. Tackling poverty is also a key priority for the Welsh Government and the Tackling Poverty Action Plan (TPAP) sets out the targets and milestone being taken forward by Welsh Government to reduce poverty in Wales.
4. The approach taken in Wales to deliver activity which supports the EU Commission's agenda for tackling poverty is through a dedicated ESF Priority delivering activity, complimented by the introduction of a 'Wales specific' Cross Cutting Theme (CCT) to encourage wider activity across the ESI programmes.
5. In Wales poverty is defined as 'A long-term state of not having sufficient resources to afford food, reasonable living conditions or amenities or to participate in activities (such as access to attractive neighbourhoods and open spaces) that are taken for granted by others in society'. Social Exclusion or the ability to participate is strongly linked therefore to issues of Poverty.
6. The ESI Funds are aimed at addressing the causes of poverty rather than dealing with the consequences. Putting in place interventions that focus actions on reducing poverty by increasing employment levels, particularly for underrepresented groups and those furthest from the labour market.

Tackling Poverty and Social Exclusion Cross Cutting Theme

7. The commitment to promote social inclusion and combat poverty reflected through the inclusion of an additional CCT is concentrated around the following key objectives:
 - the creation of jobs and growth providing employment opportunities for those who are out of work;
 - tackling barriers to employment such as poor skills, lack of childcare or limited transport options, helping more people to access employment opportunities;

- a focus on growth aligned with skills development interventions, enabling those experiencing in-work poverty to access more highly-skilled, better paid jobs;
8. As with the Sustainable Development and Equal Opportunities and Gender Mainstreaming CCT, specific activities aim to ensure that poverty, and the needs of those most at risk of poverty and discrimination, will be central to all operations.

Tackling Poverty through the ESF Programmes

9. The ESF programmes are constructed around three main Priority Axis; Tackling Poverty through Sustainable Employment, Skills for Growth and Youth Employment and Attainment. In line with the ESF Regulations, at least 20% of ESF funding in Wales is dedicated to 'promoting social inclusion, combating poverty and any discrimination', and is concentrated through the Tackling Poverty through Sustainable Employment Priority. This Priority is particularly concerned with reducing poverty by increasing employment levels, particularly for underrepresented groups, those with low or no skills, or a work limiting health condition or disability and those furthest from the labour market; and reducing inequalities in the labour market amongst women and recognised equality groups.
10. However, the programme recognises the risk of poverty, discrimination and exclusion are not limited to unemployed individuals and actions delivered through other Priorities within the Programmes also contribute to reducing poverty and the risk of poverty e.g. The Skills for Growth Priority Axis supports those in low paid, low hour or temporary jobs, alongside working with employers to develop leadership and management skills to promote workforce development, employee progression and opportunities for part time workers. Likewise the Youth Employment and Attainment Priority Axis supports action to increase the rate of youth employment and reduce the impacts periods of unemployment or NEET can have on income and poverty in the long term.
11. Progress reports around the specific outcomes for these Priorities are regular submitted to the Programme Monitoring Committee.

Tackling Poverty through the ERDF Programmes

12. The focus of the Welsh ERDF Programmes is to promote economic growth and the creation of sustainable jobs across the programme area. Many of the jobs created will be of relevance to new entrants and returners to the labour market, creating opportunities for ESF interventions targeting specific groups to complement ERDF investments. Progress against ERDF job creation targets is regularly reported to the Programme Monitoring Committee.
13. In addition to generic ERDF targeting of job creation, opportunities exist within the programmes to target specific features of poverty. For example, in Summer 2017, WEFO put out a specific 'call' for projects to come forward for funding under Priority Axis 3: Renewable Energy and Energy Efficiency. This 'call' was particularly concerned with developing a variety of innovative community energy schemes: tackling fuel poverty being the key focus under this priority. Forty two applications were received and ten have been taken forward to business planning stage.

Indicators and Targets contributing to the Tackling Poverty and Social Exclusion Cross Cutting Theme

14. There are a range of indicators with associated targets which support the activities identified as the key drivers to tackling the causes of poverty within Wales. These indicators have a wider remit than the specific Tackling Poverty CCT and help to demonstrate the progress being made on the tackling poverty agenda for the Programmes overall. **Annex 1** contains a breakdown of the specific indicators and progress to date.

The Cross Cutting Theme Project Level Indicators

15. In addition to the formal indicators and targets, additional project level CCT indicators have been identified (agreed at the June 2015 PMC) which enable WEFO to capture a broader range of activity and provide for good practice to be identified and reported. The information contained in **Annex 2**, gives an indication of the range of activity which is being delivered. The data provided includes a comparison with that provided in the last annual report in 2016, demonstrating the progress made over the period. It should also be noted there is significant overlap with activity contributing to the Equal Opportunities and Gender Mainstreaming CCT highlighted at the June 2017 PMC.

Next steps

16. Future reports will demonstrate the progress on formal CCT indicators and additional project level activity, alongside an update on the progress of the community energy schemes aiming to tackle fuel poverty.

Drafted by: Chriss O'Connell WEFO
Approved by: Rob Halford WEFO
Date: 06/11/2017

Annex 1 Tackling Poverty and Social Exclusion Indicators

ERDF:

CCT Tackling Poverty Indicators - ERDF

Priority / Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	Achieved to date ¹
SO2.2	Number of new enterprises supported	5,150	6,000	275	2,200	4,000	117
SO3.2 (SO3.1 East Wales)	Community energy schemes	3	-	-	3	-	-
SO3.3 (SO3.2 East Wales)	Number of households with improved energy consumption classification	5,500	3,060	-	4,200	765	-
SO4.2 (SO4.1 East Wales)	Public transport services created or improved	2,500,000	-	-	420,000	-	-
	Intermodal facilities created or improved	25	6	5	5	-	-
SO4.3 (SO4.2 East Wales)	Additional premises with broadband access of at least 30 Mbps - Households	28,000	69,524	41,737	28,000	46,801	34,963

Source: WEFO, 31/10/2017

ESF:

Priority 1: Tackling Poverty through Sustainable Employment

Priority / Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	Achieved to date
SO1.1	Short term unemployed with no / low skills or a work limiting health condition or disability	5,999	4,799	-	n/a	n/a	n/a
	Short term unemployed participants with low skills or a work limiting health condition or disability in employment upon leaving	33%	57%	0%	n/a	n/a	n/a
	Short term unemployed participants with low skills or a work limiting health condition or disability gaining a qualification upon leaving	50%	86%	0%	n/a	n/a	n/a
SO1.2 (SO1.1 East Wales)	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment	36,000	42,655	5,943	12,700	14,611	1,230
	Long-term unemployed (aged 25 and over) who have complex barriers to employment	10,800	18,615	2,897	3,800	5,863	676
	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment gaining a qualification or work relevant certification upon leaving	50%	31%	14%	50%	24%	6%
	Long-term unemployed (aged 25 and over) who have complex barriers to employment gaining a qualification or work relevant certification upon leaving	50%	27%	13%	50%	20%	5%
SO1.3	Participants Employed including self-employed with work-limiting health condition or disability	4,000	4,232	798	n/a	n/a	n/a
	Employed including self Employed Participants with Work limiting health condition or disability with an improved labour market situation upon leaving	50%	31%	63%	n/a	n/a	n/a

Source: WEFO, 31/10/2017

Priority 2: Skills for Growth

Priority / Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	Achieved to date
SO2.1	Employed including self-employed participants with no formal qualifications - Male	14,029	5,280	563	7,799	1,950	86
	Employed including self-employed participants with no formal qualifications - Female	12,771	5,599	429	7,101	2,025	97
	Employed including self employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - Male	72%	79%	44%	72%	79%	0%
	Employed including self employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - Female	72%	79%	46%	72%	79%	0%
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Male	23,870	21,557	6,795	13,296	8,938	3,276
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Female	21,730	26,089	6,812	12,104	10,625	3,646
	Employed including self-employed participants with up to and including a lower secondary education gaining an essential skills or technical or job specific qualification at lower secondary level upon leaving - Male	72%	79%	58%	72%	80%	54%
	Employed including self-employed participants with up to and including a lower secondary education gaining an essential skills or technical or job specific qualification at lower secondary level upon leaving - Female	72%	79%	55%	72%	80%	50%
SO2.2	Employed including self-employed participants with lower secondary education (CQFW 2) - Male	16,070	22,233	4,583	6,438	9,873	2,407
	Employed including self-employed participants with lower secondary education (CQFW 2) - Female	14,630	27,469	4,733	5,862	12,240	2,517
	Employed including self-employed participants with lower secondary education (CQFW 2) gaining a technical or job specific vocational qualification upon leaving at upper secondary (CQFW 3) level or above - Male	60%	80%	50%	60%	80%	55%
	Employed including self-employed participants with lower secondary education (CQFW 2) gaining a technical or job specific vocational qualification upon leaving at upper secondary (CQFW 3) level or above - Female	60%	80%	50%	60%	81%	52%

Source: WEFO, 31/10/2017

Priority 3: Youth Employment and Attainment

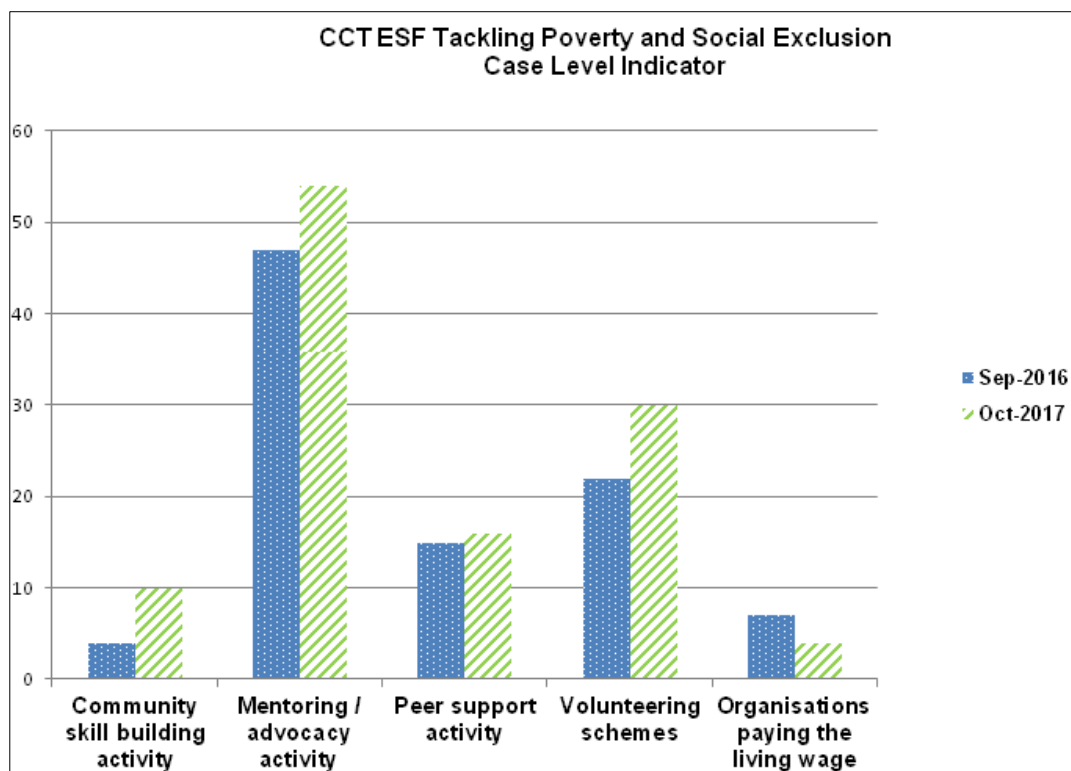
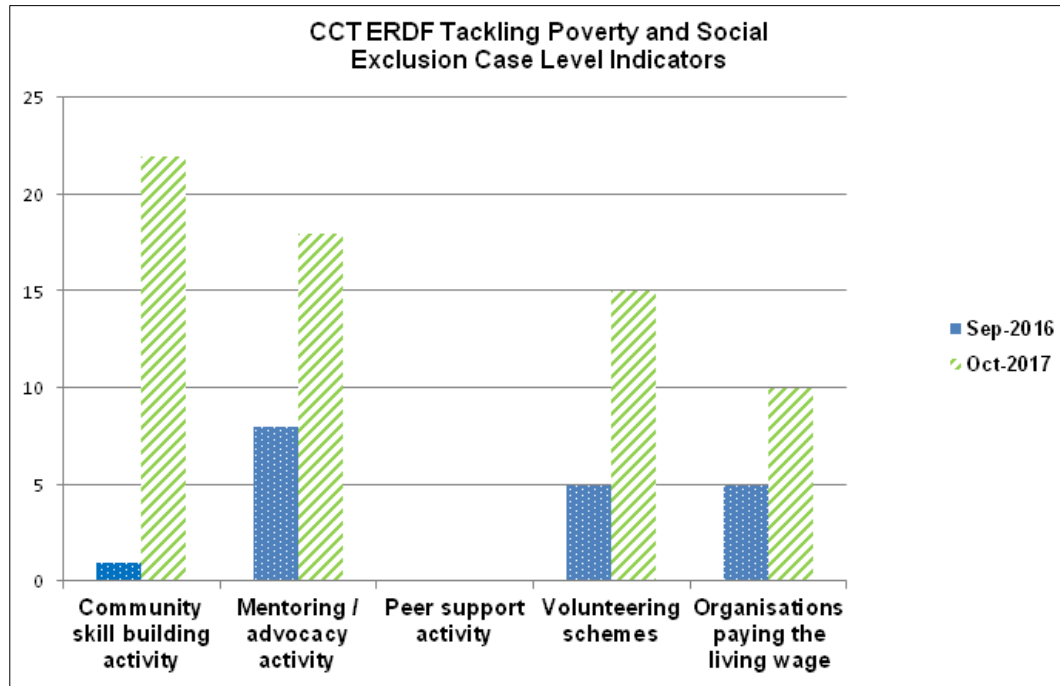
Priority / Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	Achieved to date
SO3.1	NEET Participants (16 - 24 years of age)	42,700	48,483	13,170	21,200	28,266	4,883
	NEET Participants (16 - 24 years of age) gaining qualifications upon leaving - with primary or lower secondary education	20%	40%	30%	20%	42%	33%
	NEET Participants (16 - 24 years of age) in education/training upon leaving	17%	17%	22%	17%	17%	32%
	NEET Participants (16 - 24 years of age) entering employment upon leaving	28%	30%	21%	28%	32%	20%
SO3.2	Participants at Risk of becoming NEET (11-24)	49,700	16,064	4,905	13,000	6,836	1,734
	Participants at risk of becoming NEET (11-24 years of age) gaining qualifications upon leaving - with primary (CQFW 1) or lower secondary education (CQFW 2)	7%	14%	3%	27%	17%	2%
	Participants at risk of becoming NEET(11-24) into education/training upon leaving	19%	8%	4%	18%	11%	2%
SO3.3	Young People 11 -19 years of age - Male	8,400	2,160	1,893	n/a	n/a	n/a
	Young People 11 -19 years of age - Female	15,000	2,830	2,570	n/a	n/a	n/a
	11-19 years of age participants who continue to study a Maths Science Engineering and Technology subject post 16 - Male	45%	16%	0%	n/a	n/a	n/a
	11-19 years of age participants who continue to study a Maths Science Engineering and Technology subject post 16 - Female	45%	4%	0%	n/a	n/a	n/a
SO3.4	Employed including self-employed Participants from early years and childcare sector - male	300	73	15	n/a	n/a	n/a
	Employed including self-employed Participants from early years and childcare sector - female	2,700	1,370	441	n/a	n/a	n/a
	Employed including self employed Participants from early years and childcare sector gaining qualifications upon leaving - Male	77%	77%	0%	n/a	n/a	n/a
	Employed including self employed Participants from early years and childcare sector gaining qualifications upon leaving - Female	77%	76%	11%	n/a	n/a	n/a

Source: WEFO, 31/10/2017

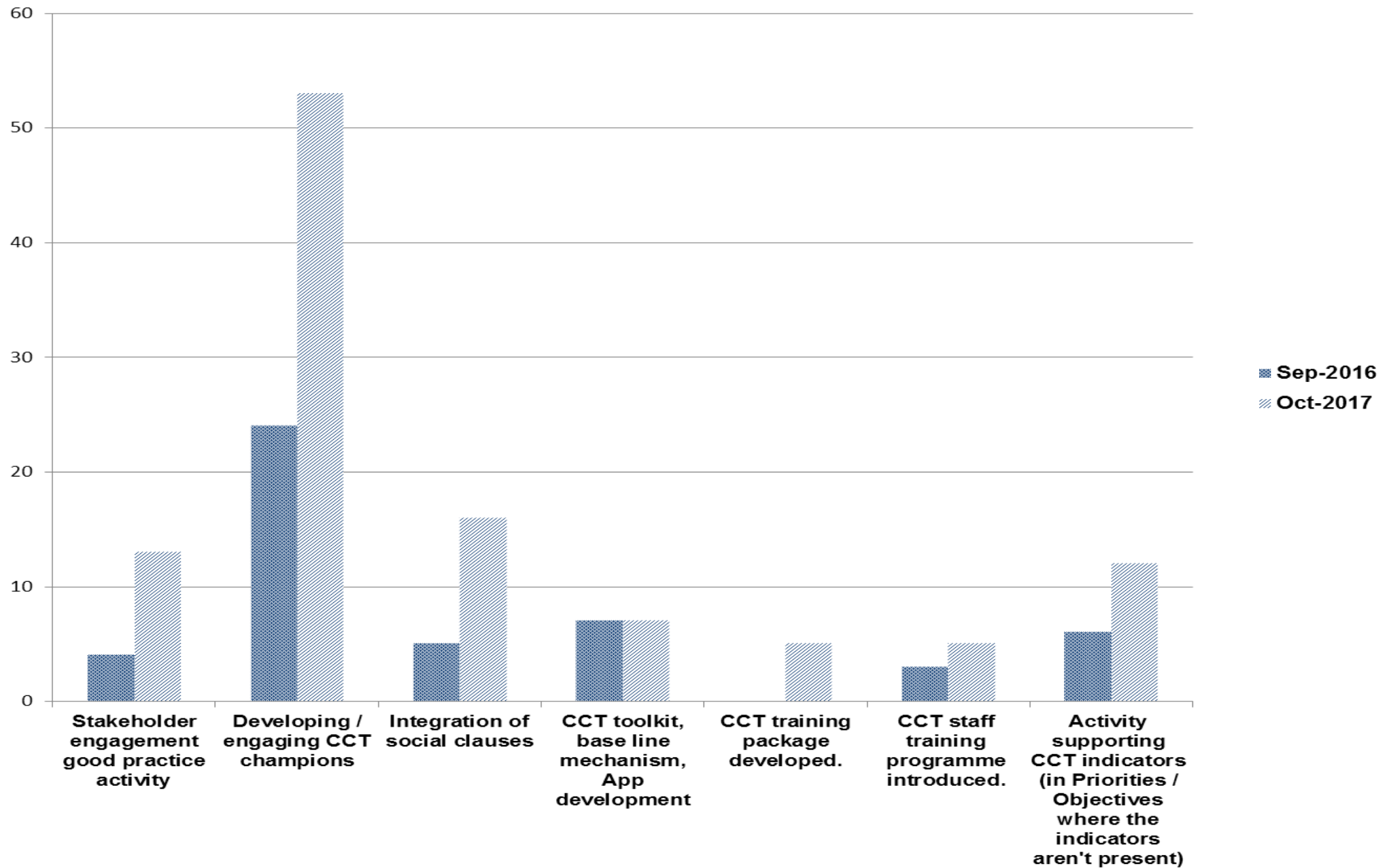
Annex 2

The following charts show the commitment operations have made to deliver activity which contributes to the Tackling Poverty and Social Exclusion cross cutting theme.

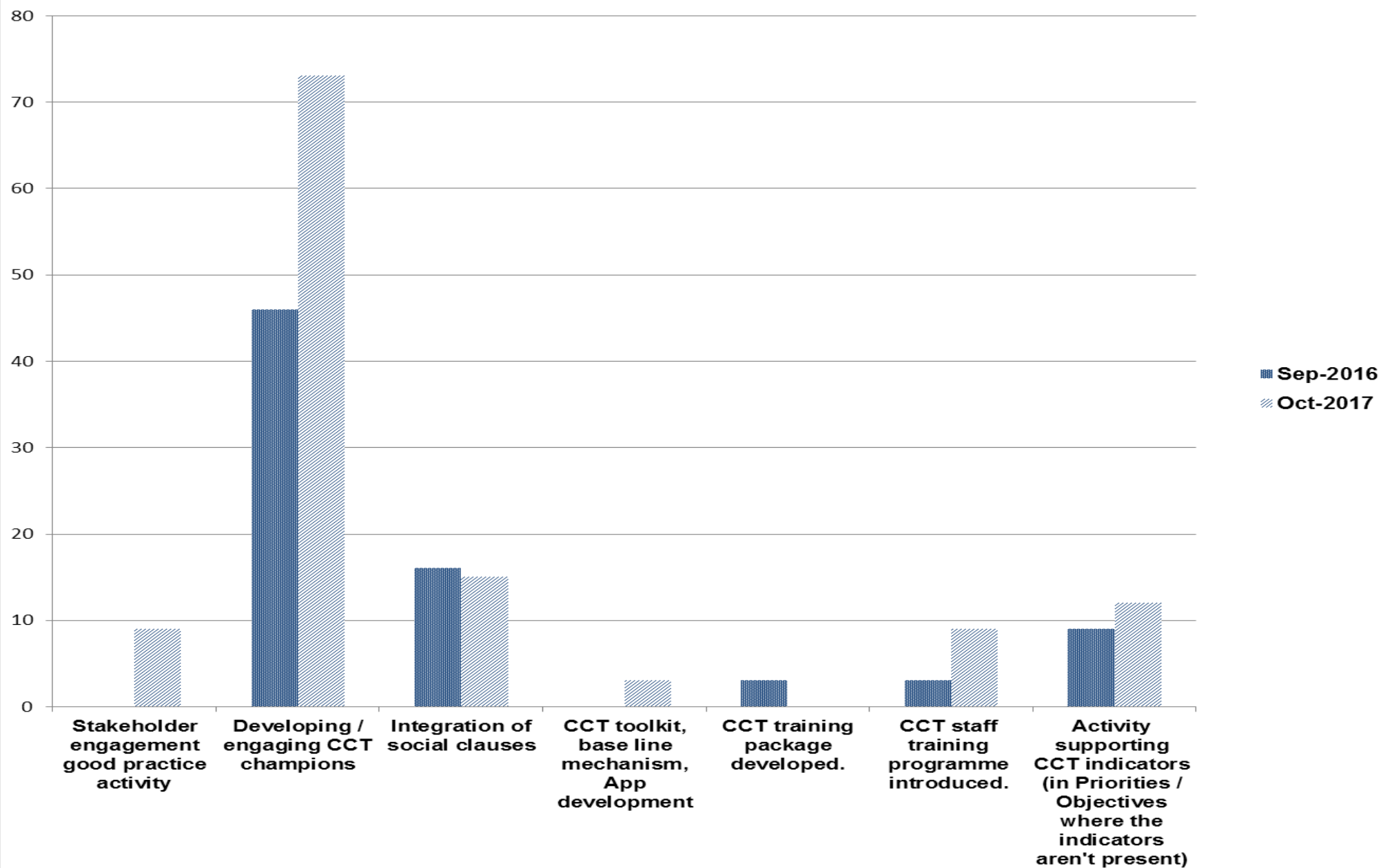
Tackling Poverty and Social Exclusion



CCT ERDF Cross Cutting Themes General Case Level Indicators



CCT ESF Cross Cutting Themes General Case Level Indicators



Monitoring and Evaluation Strategy: European Structural and Investment Funds 2014-2020 – 2017 Update

1. Introduction

The Strategy Team, based in the Welsh European Funding Office (WEFO) within the Welsh Government, is responsible for monitoring and evaluating the EU Structural Funds Programmes in Wales and the Rural Development Programme (RDP) for Wales.

The overall purpose of this Strategy is to outline how the Strategy Team will undertake effective monitoring and evaluation to support the successful management and delivery of the Programmes and to build an evidence base to inform future programmes and projects, whether EU-funded or not. The Strategy also explains how the Strategy Team will comply with EC Regulations to monitor and evaluate the Programmes.

Given the European Commission's drive to concentrate and integrate ESI funding, the broad approach adopted in developing this Strategy has been to cover each of the 2014-2020 European Structural and Investment Fund (ESI) Programmes managed directly in Wales i.e. the European and Regional Development Fund (ERDF), the European Social Fund (ESF) and the Rural Development Programme (RDP). The European Maritime and Fisheries Fund is not covered as this is managed at UK level but support is given to the relevant teams within the Welsh Government to ensure that the monitoring and evaluation functions are delivered.

It should be noted that it is not the PMC's responsibility to approve the RDP evaluation plan: the EC requires a separate evaluation plan for the RDP to be approved by DG Agri. It should also be noted that, whilst the Strategy team will play the lead role in monitoring and evaluating the new Ireland-Wales Programme, it is the responsibility of the Ireland-Wales PMC to approve the associated monitoring and evaluation arrangements.

In parallel with the development of this Strategy, the Measuring Success Sub Group of the ESI Programme Monitoring Committee has been exploring additional mechanisms for measuring the success of the Programmes. Although some of the recommendations of the Sub Group report are beyond the scope of this Strategy, the Strategy Team will take account of the Sub Group's recommendations in the ongoing monitoring and evaluation of the Programmes. For example, a business-level database will be a central feature of the ERDF monitoring system (see Section 3.2.1), and the measures discussed in the Sub Group report (e.g. those associated with the Wellbeing Goals for Wales) will, where relevant, be included in programme-wide surveys of individuals and businesses and project level evaluation (see Section 4.2).

2. Purpose of Monitoring and Evaluation

The main purpose of **monitoring** is to **assess the progress of projects, schemes and programmes**. This includes financial progress (such as commitment and spend) and physical progress (e.g. numbers of businesses and individuals assisted by the Programmes). Another purpose of monitoring is to provide accountability: a well-crafted monitoring report can give a good indication of how programme funds have been spent to date. Good monitoring data are also crucial for evaluation.

Evaluations have several purposes but ultimately these can be summarised in one word: **‘learning’**. Evaluations are undertaken to learn something about a project, scheme or programme, in other words, to answer questions (often referred to as ‘research questions’) about a project or programme.

Monitoring and evaluation have always been essential for effective programme and project management. In the 2014-2020 period, these functions are more important than ever due to the EC’s emphasis on **results-orientated programming**. It is not possible to assess whether programmes have had the desired results without good monitoring and evaluation.

The next two sections outline our proposed approach to monitoring and evaluation.

3. Monitoring

3.1 What we will monitor

The main audience for Programme monitoring and evaluation information will be the **PMC**. The Strategy Team will produce detailed **Programme Monitoring Reports** at each meeting of the PMC to assist the PMC in reviewing the progress of the Programmes. These reports will outline progress based on data for the indicators, finance, project approval and pipeline and a qualitative account of issues in implementation.

The Strategy Team will also undertake **regional analysis** for the PMC. This analysis will draw on the Strategy Team’s underpinning monitoring system, which allows more detailed analysis than the use of indicators alone. The key datasets for this work are anticipated to be the core databases which will hold data on all individuals and businesses assisted by the Programmes. Crucially, these databases contain postcodes to help us understand where the support is being delivered. They also contain detail on the **sectors** of the businesses supported so that we can explore whether the Programmes are reaching businesses within the Welsh Government priority sectors. As well as the Strategy Team’s own datasets, these reports can also draw on other datasets to provide the context in which the Programmes are operating (a variety of datasets are available at sub-regional level, e.g. business births and deaths; employment rate, including occupational split; qualification levels; average earnings; and number of workless households). **2017**

Update: it has not been feasible to do this so far based on the volume of data received to date but we still plan to produce this analysis for future meetings. An early potential model for this reporting has been discussed with the Regional Engagement Teams.

The other major audience for Programme monitoring and evaluation information will be the **European Commission** (EC). The main monitoring tool for the EC is the **Annual Implementation Report** (AIR). The EC requires Member States to submit AIRs for each Operational Programme. The first AIR is due in 2016 and will cover 2014 and 2015 (art. 111(1) CPR regulation).

The AIRs will report on the implementation of the Programmes based on the indicators (including the result indicators) and financial data and will highlight any issues affecting the performance of the Programmes (art. 50(2) CPR regulation). In addition, the AIRs will contain a synthesis of the findings of all evaluations of the programme that have become available during the previous financial year (art. 50(2) CPR regulation). Beginning with the reports submitted in 2017, the AIRs will also contain information on progress against the milestones defined in the performance framework (art 50(2) CPR regulation). The AIRs to be submitted in 2017 will in addition assess progress towards achieving the objectives of the Programmes, including the contribution of the Programmes towards the change in result indicators, when evidence from evaluations is available, and assess the implementation of actions to take into account the principles set out in Articles 7 and 8, the role of the partners referred to in Article 5 in the implementation of the Programmes and report on support used for climate change targets (art. 50(4) CPR regulation). **2017 update: the 2017 AIR has been submitted to the EC.** The AIRs to be submitted in 2019 and the Final Implementation Reports (FIRs) will contain all the above in addition to an assessment of progress towards achieving the objectives of the Programmes and their contribution the EU2020 Strategy (art. 50(5) CPR regulation).

The deadline for submitting the Structural Funds AIRs (apart from those submitted in 2017 and 2019) is 31 May (art. 111(1), CPR regulation). The deadline for the Structural Funds AIRs to be submitted in 2017 and 2019 and for all RDP AIRs is 30 June (art. 111(2) CPR regulation). The deadline for submitting the FIRs is 31 May 2023 (art. 111(1) CPR regulation).

As well as the reports for the PMC and the AIRs which will be published on the **WEFO website**, the Strategy Team will regularly produce **summary monitoring information** to be published on the WEFO and RDP webpages. The Strategy Team will also publish **forecast and achieved indicator data for every approved project**. **2017 update: this action is dependent on the development of the project database, which is still under development. We hope to be able to publish this information in 2018.**

The Strategy Team will also produce detailed monitoring reports to be used within the Managing Authorities by **groups that have been set up to review the implementation of the Programmes in detail**.

As part of its reporting function the Strategy Team will produce the monitoring data required to report against the **performance framework**. This information will also help to ensure consistency with the reporting required at the UK level. The Partnership Agreement sets out how the Managing Authorities will work together to ensure consistency of data and the Strategy Team will be actively involved in this work.

As the Managing Authorities sit within the Welsh Government the Strategy Team will ensure that all **Welsh Government reporting requirements** are complied with.

3.2 How we will monitor

3.2.1 Data collection

All data for Structural Funds will be collected through WEFO-online and stored in WEFO's **Programme and Project Information Management System (PPIMS)**. For the RDP data is held in a mix of IT systems due to the varying types of support offered through the Programme. All land based interventions and Schemes are managed through the CAPIT system with most socio economic operations and schemes recorded through PPIMS. Payment data is managed through SAP.

All projects and schemes will be required to collect data against their **indicators** (see 3.2.2) and for **every individual and business** that they assist. These data requirements are set out in monitoring and evaluation guidance for projects. In addition to this, projects and schemes will develop a **monitoring plan** which sets out the data they will collect and how it will be collected and stored. The plan will also include any collection forms and consent statements to ensure data protection requirements (currently the 1998 Data Protection Act but from May 2018 the General Data Protection Regulations (GDPR)) are satisfied, for example, projects and schemes must clearly explain to the individuals and businesses they support that their data will be shared with WEFO and research contractors appointed by both WEFO and the projects for the purposes of research and evaluation and verification checks.

These datasets are critical because they provide a sampling frame for evaluations and can be used to link to other datasets to obtain further information on the outcomes of the Programmes. The content of these datasets is outlined in monitoring guidance for projects.

The Strategy Team will work with project sponsors and scheme managers to ensure the **quality of the monitoring data**. This will involve providing **detailed monitoring guidance**, including indicator definitions. The Strategy Team will also attend project review meetings to discuss any queries project sponsors / scheme managers have on the monitoring requirements. Furthermore, the audit teams will check the evidence supporting the indicators. In addition to this, when producing monitoring reports, the Strategy Team will check the data for any anomalies, e.g. any decreases between reporting periods.

In addition to the data projects and schemes are required to submit to the Managing Authorities, they will also be encouraged to collect **additional data that will assist with project management and evaluation**, including sufficient baseline data to enable projects and schemes to robustly track progress for their beneficiaries.

3.2.2 Indicators

The monitoring indicators are set out at Investment Priority level in the formal Operational Programmes and at Specific Objective level in the user-friendly versions of the Programmes. The indicators as based on the Core / Common indicators set out by the EC and any programme-specific indicators were developed by the Strategy Team in consultation with other staff in the Managing Authorities and with stakeholders such as project sponsors from the 2007-2013 Programmes, as well as the Monitoring and

Evaluation Workstream.¹ The indicator system has been developed to reflect the key activities and objectives of the Investment Priorities.

The EC requires a slightly different approach to implementing the indicator system for each Fund.

For **ESF**, DG Empl has identified a set of '**common**' indicators which all Managing Authorities are required to report against. These indicators are broken down into three categories of indicators: **outputs, immediate results and longer-term results**. An output is considered what is directly produced / supplied through the delivery of a project. Result indicators capture the expected effects of projects. Immediate results are recorded when a participant leaves a project. Longer-term results are recorded six months after the support for the participant has ended. Data for immediate result indicators will be collected through the monitoring system whilst data for longer-term result indicators will be collected for a representative sample through the ESF Participants Survey (see Section 4 and Annex A).

For **ERDF**, DG Regio has identified a set of '**core**' output indicators which all Managing Authorities are required to report against. DG Regio has adopted a different interpretation of result indicators to DG Empl. Whilst ESF result indicators are at the level of the assisted unit, i.e. the participant, ERDF result indicators relate to the situation in the programme area. Data for the output indicators will be collected through the monitoring system whilst data for the result indicators will be collected through project and programme level evaluations (see Section 4 and Annex A).

For the **RDP**, DG Agri has provided a revised and streamlined monitoring system built on the existing (2007-2013 programme) EAFRD arrangement of monitoring and guidance. The resources available for monitoring of programmes will be focused on a limited number of common output and result indicators that meaningfully capture the progress of interventions towards agreed programme objectives and which can be aggregated at an EU level. The revised **Common Monitoring and Evaluation Framework (CMEF)**:

- Demonstrates the progress and achievements of rural development policy and assess the impact, effectiveness, efficiency and relevance of interventions
- Contributes to better targeted support for rural development
- Supports a common learning process related to monitoring and evaluation.
- Provides one monitoring and evaluation system covering the CAP as a whole (Pillar I direct payments to farmers and market measures and Pillar II rural development measures) -

Additionally, for rural development (pillar II) there is a Common Monitoring and Evaluation System (CMES)², which is part of the CMEF covering specifics for Rural Development Programmes.

¹ The Monitoring and Evaluation Workstream was set up to support the detailed planning and drafting of the Monitoring and Evaluation arrangements for the 2014-2020 EU Programmes.

² **CMEF**: The compilation of rules and procedures necessary for evaluating the whole CAP. **CMES**: The rules and procedures within the CMEF which relate to rural development (Pillar II of the CAP)

It is important to note that whilst the term 'result' implies an attribution of the 'results' to the Programmes it is usually not possible to conclude that the Programmes have 'resulted in' these effects on the basis of monitoring alone. Because of this, evaluation (and ideally evaluation involving control groups) is usually necessary to estimate what would have happened without the project or programme, i.e. the 'counterfactual'. This will be addressed in Section 4.

Across all Programmes, a small number of non core / common indicators have been developed to allow the Managing Authorities to fully monitor the progress of the Programmes. These are called '**programme-specific**' indicators.

Each project and scheme will be required to select relevant indicators from the Investment Priority under which they are funded. All projects will have a profile of expected delivery which will include expenditure and indicators; a tolerance for each area will be applied and automatic warnings issued if the tolerance is breached.

The Managing Authority will use the indicators selected by the project / scheme to monitor the progress of the project / scheme. The project / scheme level indicator data will also be aggregated up to Priority and programme level to allow the Managing Authorities to monitor the progress of particular Priorities and Programmes.

A key component of the indicators is the **indicator** definitions which the Strategy Team has produced, as part of wider monitoring guidance for projects. These are being communicated to all project sponsors and scheme managers so that they can check they are reporting against the indicators correctly. This is important to ensure the indicator data are of good quality to enable the Managing Authorities to monitor the Programmes effectively.

The **Strategy Team is assisting projects and schemes** to select appropriate indicators and in designing a monitoring system to collect data which will allow effective evaluation of the project. Furthermore, the Strategy Team is delivering training sessions to WEFO Project Development Officers (PDOs) and to project sponsors on complying with the monitoring requirements.

For the RDP, to demonstrate how programme targets will be achieved, an Indicator Plan must be completed to plan the measures and financial means to be used for each Focus Area within the programme. It also provides the basic elements of calculation for each target. **This is a new requirement for the RDP.** Definitions for RDP indicators are prescribed by the European Commission. The Strategy Team will assist programme and scheme managers in understanding these requirements and in designing a monitoring system to capture the required data against indicators, category breakdowns along with other monitoring requirements. Training sessions will be held with programme and scheme managers to ensure compliance with monitoring requirements.

4. Evaluation

4.1 Over-arching approach

The Strategy Team **will be responsible for all programme-level evaluations.**

A major component of the Strategy Team's programme-level evaluation schedule will be **regular surveys of individuals that have received support by the Programmes**. These will build on the ESF Leavers Surveys undertaken in the 2007-2013 period. The Strategy Team will **share the datasets** for these surveys with schemes and projects so that they can be used in project / scheme level evaluations. The Strategy Team will also use these surveys to help report against the ESF longer-term result indicators. The Strategy Team will follow EC guidance on representative sampling which is required to report against the ESF longer-term result indicators.

2017 update: the Strategy Team originally intended to undertake regular surveys of ERDF and RDP supported businesses and to share operation / scheme level data from these surveys with those responsible for ERDF operation and RDP scheme level evaluations so that they would not have to undertake their own surveys. This approach is taking place for ESF participants. However, the volume of data the Strategy Team has received to the end of 2017 on ERDF supported businesses is not as large as that received on ESF participants. An ERDF business survey of assisted businesses will not be carried out until at least 2019 due to the difficulties in achieving a sufficient sample size until this point. It is the intention to treat the ERDF and RDP supported businesses separately and for the RDP this will be done as part of specific RDP scheme level evaluations managed by the Strategy Team.

All project sponsors / scheme managers will need to agree a detailed monitoring and evaluation plan with the Strategy Team.

Where research and evaluation expertise is available in projects / schemes to commission the evaluations the Strategy Team will generally adopt a hands-off approach.

For large or innovative projects and schemes where the project sponsor / scheme manager does not have the capacity to manage an evaluation, the Strategy Team will sit on the steering group for the evaluation and provide intensive support, e.g. through commenting on evaluation specifications, fieldwork tools and draft reports and taking part in tender assessments. For some large or innovative projects with very little capacity, it may be necessary for the Strategy Team to manage the project evaluation. This will be determined on a case by case basis.

for all other projects and schemes the Strategy Team will provide advice and guidance to project sponsors and scheme managers on their evaluations. These arrangements for analytical support will be rolled out to the RDP. This will include project evaluation guidance to be published on the WEFO website. Furthermore, the Strategy Team is delivering training sessions to WEFO PDOs and to project sponsors on commissioning project level evaluations.

In the majority of cases at programme and project / scheme level, **external contractors** will be commissioned to undertake evaluation due to the independence and expertise provided by such an arrangement.

Article 110(1) of the Common Provisions Regulations states that the PMC shall examine progress made in implementation of the evaluation plan and the follow-up given to findings of evaluations. The PMC will review progress in the implementation of the Monitoring and

Evaluation strategy and progress in the follow-up of evaluation findings on an annual basis.

4.2 What and how we will evaluate

As stated in Section 2, evaluations are undertaken to answer questions about a project, scheme or programme. Table 1, below, outlines the evaluation questions the Strategy Team will try and answer during the programming period, with a brief description of the evaluation approach for each question. In addition to the questions below, there are also 21 Common Evaluation Questions that the EC has set for the RDP. These will be addressed across RDP evaluations.

Table 1 – Evaluation Questions and Approach to Answering Them

Evaluation Question	Evaluation Approach	Timing – updated in 2017
Are the interventions funded by the Programmes having an impact?³	<ul style="list-style-type: none"> • Analysis against ERDF result indicators and ESF longer-term result indicators (see Annex A for a detailed outline of the Strategy Team’s approach to evaluating progress against the result indicators) • Regular surveys of individuals who have received ESF • At least one programme-wide survey of businesses that have received ERDF support • Counterfactual Impact Evaluations (CIEs) at programme and project / scheme level • Theory Based Impact Evaluations (TBIEs) at programme and project / scheme level • Analysis of other outcomes that are too difficult to capture through the indicator system, e.g. ‘soft’ skills, increased business spend on R&D and some of the measures suggested by 	<ul style="list-style-type: none"> • ESF: First surveys to take place in 2017, with analysis available in 2018 • ERDF: Survey to take place in 2019 with analysis available in 2020 • RDP, ESF and ERDF: Evidence from CIEs and TBIEs available from 2019 onwards

³ For a detailed discussion of impact evaluation, please see Annex B.

	<p>the Measuring Success Sub Group (through surveys and project level evaluation)</p> <ul style="list-style-type: none"> • Analysis of survey datasets at regional level where feasible 	
What are the most effective types of projects and schemes, e.g. are some projects better at helping people into work than others?	<ul style="list-style-type: none"> • Analysis of surveys of individuals and businesses • Comparison of CIE evidence on impact of different projects / schemes 	<ul style="list-style-type: none"> • ESF: Analysis available from 2018 onwards • ERDF and RDP: Analysis available from 2019 onwards
What types of businesses are the Programmes supporting? In the areas of the Programmes targeted at 'growth' businesses, is this targeting being achieved?	<ul style="list-style-type: none"> • Analysis of programme monitoring data • Survey of businesses that have received ERDF support, including regional analysis where feasible • Operation and scheme level evaluation 	<ul style="list-style-type: none"> • Analysis available from 2018 onwards
What types of jobs are being created in the businesses that we support?	<ul style="list-style-type: none"> • Analysis of programme monitoring data • Survey of businesses that have received ERDF support, including regional analysis where feasible 	<ul style="list-style-type: none"> • Analysis available from 2018 onwards
What types of skills training are being delivered to the individuals we support? Are they the skills that employers need, and do they match the Welsh Government's priority sectors?	<ul style="list-style-type: none"> • Analysis of programme monitoring data • Regular surveys of individuals who have received ESF support, including regional analysis where feasible • Operation and scheme level evaluation 	<ul style="list-style-type: none"> • Analysis available from 2018 onwards
Across projects and schemes is there sufficient coverage of the objectives of the Programmes and is the balance of interventions appropriate?	<ul style="list-style-type: none"> • Mid Term Evaluation • Qualitative research with project / scheme and Managing Authority staff and programme stakeholders (e.g. PMC) • Review of programme and project / scheme documents • Analysis of how the 	<p>Either:</p> <ul style="list-style-type: none"> • Begin evaluation when 40% of Programme funds have been spent; or • Procure evaluation in 2017/2018 to report in 2019

	<p>different ESI funds complement each other to achieve common aims, possibly in a TBIE design</p> <ul style="list-style-type: none"> • Analysis of issues affecting successful implementation of the Programmes 	<p>(whichever is earliest)</p> <p>Spend threshold has not been met in 2017, but will undertake evaluation to address these questions in 2018. Will probably do this as an in-house piece of research, rather than commissioned</p>
Are the Cross Cutting Themes being integrated effectively across projects and schemes?	<ul style="list-style-type: none"> • Qualitative research with project / scheme and Managing Authority staff and programme stakeholders (e.g. PMC) • Review of project level evaluations • Review of actions taken in response to recommendations from Equality Impact Assessments and Strategic Environmental Assessments 	<ul style="list-style-type: none"> • Procure evaluation in 2018 to report in 2019
What evidence is available (e.g. from other published research) to inform the ongoing management of the Programmes?	<ul style="list-style-type: none"> • Summaries of research directly relevant to the ESI Programmes 	<ul style="list-style-type: none"> • Available from 2016 onwards
Are the Programmes on track to meet the performance reserve targets?	<ul style="list-style-type: none"> • Analysis of programme monitoring data and project progress reports • Qualitative research with project / scheme and Managing Authority staff 	<ul style="list-style-type: none"> • In-house study taking place during 2017
Are there any over-arching achievements of the Programmes that can be summarised?	<ul style="list-style-type: none"> • Ex post evaluation at end of Programmes • Synthesis of all project / scheme and programme level evaluations • Review of socio-economic data over programming period • Summary of achievement against key indicators 	<ul style="list-style-type: none"> • Procure evaluation in 2020 to report in 2021

2017 update: changes to evaluation schedule

The Monitoring and Evaluation Strategy was drafted and approved by the PMC in 2015. Since then, the 2014-2020 programmes have progressed into the delivery phase, the Ex Post Evaluations of the 2007-2013 programmes have been finalised and the Monitoring and Evaluation Advisory Group (MEAG) has been set up and has met three times. Also during this period, the UK voted to leave the EU. These events have inevitably led to some reflection on the evaluation schedule, and, as a result, the Strategy Team has identified some additional research studies which were discussed with the MEAG in September 2017. Table 2, below, briefly outlines these studies for Structural Funds and Table 3 for the RDP. The Monitoring and Evaluation Strategy originally foresaw some evaluation spend on processes involved in implementing the programmes but we will now be undertaking this research in-house to help fund some of the additional studies.

Table 2 – New evaluation studies – Structural Funds

Study	Status	Brief description
Labour Productivity in Wales	Nearing completion	<p>Economic analysis to update research on factors affecting labour productivity in Wales (which is lower than other parts of the UK).</p> <p>Rationale for commissioning this analysis is that the Programmes aim to improve Wales's performance against a number of measures linked to productivity so having an understanding of Wales's productivity performance and what lies behind it will be useful to inform the ongoing implementation of the Programmes</p>
ERDF Infrastructure Evaluation (2000-2013)	About to go out to tender	<p>Rationale for commissioning this evaluation is that most of the evaluation evidence on infrastructure was produced immediately after the infrastructure was completed so it was not possible to consider how the infrastructure was being used – and the impact of infrastructure will only be realised through its</p>

		<p>usage.</p> <p>The aims of the proposed evaluation are:</p> <ol style="list-style-type: none"> 1. to investigate the usage and maintenance of the new/improved infrastructure; 2. to investigate whether, and if so how, new and improved infrastructure within the three regions of Wales (North Wales, South West and Mid Wales, and South East Wales) work together, for the benefit of the region in terms of the local economy, residents, and businesses; and 3. to consider the feasibility of undertaking an impact evaluation of infrastructure and set out recommended methods.
Evaluation of role of partners in delivering programmes	Not started	To include Regional Engagement Teams and Third Sector Specialist European Team and other partners. Will seek to examine strengths and weaknesses of current approach
Randomised Control Trials (RCTs)	Not started	<p>We hope to identify very specific areas of the programmes or parts of operations that are amenable to trials.</p> <p>Variations to the 'classic' RCT approach may be more feasible e.g. pipeline, trialling different components of the support, instrumental variables or randomised encouragement</p>
Social Research on Productivity	Not started	Very speculative at present. Rationale for considering this is that productivity is a big issue

		for Wales (and the UK as a whole) but much of the literature highlighted to date is based on economic research (primarily econometric) rather than social research. Social research may be able to offer some additional insight. Would need to thoroughly examine existing literature to ensure we do not duplicate anything and build on other work.
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Table 3 – New evaluation studies – RDP

Study	Status	Brief description
Agri-insurance Feasibility Study	Nearing Completion	This study will investigate the commercial viability of insurance options to redeem and/or restore agricultural production following an extreme weather and/or catastrophic event. Depending on the findings, the successful Contractor may be required to undertake an options analysis and develop recommendations detailing the approach to market.
Refugees employment, skills support study	Commissioning Soon	This work will look at the aspirations and work desires of refugees across Wales, as well as mapping the current support offered across regions and where improvements may be needed to improve the level of support in rural areas.
Farm Practices Survey	Not started	There are plans for a farm practice survey to take place as part of the successor to the Glastir Monitoring and Evaluation Programme. It is anticipated that RDP

		evaluation budget be set aside to contribute to the farm practice survey which will boost the sample to include beneficiaries and non beneficiaries of farming connect to allow some counterfactual analysis.
Contribution of Agriculture and food production on rural communities	Not started	This work is very speculative at present. The rationale for this work is that the economic benefit of support to agricultural businesses is sometimes limited. However limiting the assessment of the agricultural sector to economic outputs potentially misses the wider social benefits provided by the agricultural sector. This work will seek to assess the extent to which the agricultural sector has wider benefits within rural communities.

5. Monitoring and Evaluation Resources

The main resource for monitoring and evaluating the ESI Programmes will be the staff in the **Strategy Team**. At full complement, the Strategy Team will have eighteen members of staff with a mix of social research, monitoring and administrative expertise, spread over two locations, Merthyr Tydfil and Aberystwyth.

In addition to the Strategy Team, a further four Senior Research Officers will be funded via Technical Assistance and work in the **Welsh Government's Knowledge and Analytical Services** (KAS) department to take forward project level evaluation of Welsh Government Structural Funds projects.

The Strategy Team will also draw on the resources of the new **Monitoring and Evaluation Advisory Group (MEAG)** which will be set up to oversee the work of the Strategy Team. This Group will help support the Strategy Team produce robust monitoring and evaluation evidence on the ESI funds in Wales. The MEAG will consist of members from the Managing Authorities and from stakeholder organisations including other departments in the Welsh Government, Welsh Local Government Association and the Wales Council for Voluntary Action. The **Technical Sub Group (TSG)** of the MEAG will have a more hands-on role in supporting the work of the Strategy Team through assessing tenders for evaluation studies and commenting on draft reports. The TSG will

consist of economist, statistician and social research expertise from within the Welsh Government.

The Strategy Team will also assist the **Regional Engagement Teams** to evaluate the contribution of the Programmes to regional development strategies.

All programme-level evaluations will be funded by **Technical Assistance**. For the Structural Funds, the Strategy Team estimates that the total budget for Structural Funds will be £3.5 million. The estimated total budget for the RDP is £6.1 million.

Project sponsors / scheme managers will be able to use their **EU grant to fund project / scheme level evaluations**.

6. Lessons Learned from 2007-2013 Programmes

It is important to reflect on the lessons learned from monitoring and evaluating the 2007-2013 Programmes so that we can build on the successes and take any necessary action to improve our approach.

In the 2007-2013 period, the Strategy Team developed a **sophisticated and comprehensive reporting system** which has enabled WEFO and the PMC to monitor the Programmes in detail. The volume and detail of the monitoring reports produced by the Strategy Team and their availability on the WEFO website has also increased the transparency of the management of the Structural Funds in Wales. For the 2014-2020 period, the Strategy Team will continue this system of reporting and extend it to the RDP, so that there is a single and consistent repository for all monitoring data. This will improve the planning of data availability for evaluation.

The collection of **ESF participant-level data** by the Strategy Team has greatly assisted in the evaluation of the ESF Programmes, in particular the regular surveys of ESF participants. The Strategy Team will continue to collect this level of information from ESF projects in the 2014-2020 period.

The **ESF Leavers Surveys** themselves have produced a good evidence base on the performance of the ESF Programmes. They have allowed the Strategy Team to apply robust Counterfactual Impact Evaluation (CIE) methods to evaluate the impact of ESF interventions on unemployed and economically inactive individuals.⁴ The Strategy Team will continue to use these methods in the 2014-2020 period. Combining data from multiple ESF Leavers Surveys has also allowed the Strategy Team to analyse performance by different types of projects which is helpful to understand which types of projects are most effective for delivering different types of outcomes. The main weakness of the ESF Leavers Surveys is that they have not been representative of the population of ESF participants. This is mainly because some ESF projects have not provided the Strategy Team with good quality contact details for their ESF participants (see below). However, there is some scope to tailor ESF evaluation methods to particular groups and the Strategy Team is currently considering all available options.

⁴ Counterfactual Impact Evaluation methods are methods that make use of credible control groups to estimate the counterfactual, i.e. what would have happened in the absence of the intervention. They are discussed in more detail in Section 5.

The Strategy Team set up a parallel data collection system for all businesses supported by the ERDF Programmes. Unfortunately, the Strategy Team has had more **difficulties in encouraging ERDF projects to submit business-level data** than it has had with ESF projects to submit participant-level data. As a result of this, the Strategy Team has struggled to evaluate the ERDF Programmes.⁵ Even in the ESF Programmes the participant-level data collection system does not have 100% coverage and this has meant that evaluation of ESF is not totally representative of the entire population of ESF participants. For the 2014-2020 period, collecting participant and business level data will be more established than it was at the start of the 2007-2013 period. Furthermore, given the greater importance attached to monitoring and evaluation for the 2014-2020 period, the Strategy Team has more power to insist that projects submit this information.

A key evaluation success has been the '**WEFO Research Summaries**' which consist of summaries of published research that are directly relevant to the Structural Funds Programmes. These Summaries have generated an accessible and comprehensive evidence base to inform the management of the Programmes and development of future Programmes. The Research Summaries have continued into the 2014-2020 period and have been extended to cover the RDP.

Another recent evaluation success has been the role of the **Ex Ante Evaluations** (EAEs) in building in evidence into the design of the 2014-2020 Programmes. A critical first step in the EAEs was for the evaluators to produce synthesis reports summarising all evidence relevant to the Programme Priorities. These were shared with those responsible for drafting the Programmes and also formed the basis of the evaluators' appraisal of the draft programme documents. The success of the EAEs has meant that for any future ex ante evaluations, the Strategy Team will be able to use the existing specification and contract management arrangements as best practice templates.

In addition to the above, the introduction of **mandatory project level evaluation** for the 2007-2013 Structural Funds Programmes has built evaluation capacity in Wales and has contributed to the evidence base on EU-funded interventions. Projects have been able to use their learning from project evaluations to improve the implementation of their projects and the design of successor projects. Although there is some scope to improve the quality of project evaluations, project level evaluation will remain mandatory in the 2014-2020 period and this will continue to be supported by guidance and advice from the Strategy Team.

Similarly, for the 2007-2013 RDP, **evaluations were undertaken of schemes to enable learning to improve scheme implementation**. In addition, a range of ongoing evaluation activity has taken place throughout the duration of the RDP. There have been two main vehicles for commissioning ongoing evaluation: the ongoing evaluation contract and the Wales Rural Observatory, research collaboration between Cardiff and Aberystwyth Universities. The WRO has carried out a number of studies and surveys to meet RDP

⁵ The lack of business-level data from ERDF projects is not the only reason for the difficulties in evaluating the ERDF Programmes but it has certainly been a constraining factor. Other reasons include the time lag in availability of business-level data from elsewhere and issues in determining at which 'level' of the business it is appropriate to measure outcomes where a business is made up of more than one business unit. A detailed discussion can be found in Chapter 5 of the report of *ERDF Business Survey* (Old Bell 3 et al, 2012), available at <http://wefo.wales.gov.uk/publications/guidance-and-publications/Publications14-20/monitoringevaluation/programmeevaluations/9615751/?lang=en>

evidence demands including: longitudinal surveys of rural businesses, households and services, and a study of farmers' decision making. The implementation of the RDP will continue to be supported by a range of ongoing evaluation in the next Programming round. In order to improve the consistency of evaluations of RDP schemes the Strategy Team is taking a greater role in the design, commissioning and managing of scheme level evaluations.

7. Communicating evaluation findings

There are two main aims of communicating evaluation findings: to increase the visibility of Structural Funds and RDP evidence bases and the impact of its research and publications among policy makers, key stakeholders, rural communities and academics; and to exploit the full range of data to deliver better evidenced policies and more relevant and robust outcomes for the Programme areas. The communication objectives are listed below:

- A targeted seminar strategy to ensure the information reaches policy makers;
- Publish regular highlight reports to improve accessibility of research to a wider audience;
- Participate in RDP Network, DG Regio and DG Employ Evaluation Partnership events to promote research and build links with practitioners through direct engagement;
- Produce and publish literature to promote research within the rural community;
- Maintain and develop the website;
- Develop a style of communication to ensure clear understanding of subject matters to the widest audience; and
- Proactive engagement with the media ensuring that relevant data and research is publicised in an appropriate and timely way.

Communication and dissemination activities will use existing resources where possible. Under the RDP and Structural Funds, the Strategy Team is charged with identifying good practice from research and promoting it to stakeholders through participating in and organising seminars. The Strategy Team is tasked with providing and presenting evidence to support effective policy making.

The Strategy Team will 'dovetail' its communications and dissemination activities with similar initiatives organised within the Managing Authorities.

The RDP highlights the core audience for research advice as being "a wide range of policy makers, local action groups, practitioners and other partner bodies". The core audience for Structural Funds research shares some similarities with that of these groups, but it also includes project sponsors as a key group in the target audience. The Strategy Team may capitalise on opportunities to co-operate with UK and EU partners including the Economic and Social Research Council and the European Network for Rural Development.

A productive relationship between WG and its stakeholders is vital to the successful delivery of the RDP and the achievement of quality outcomes for rural Wales. Consequently, it is important that WG undertakes research and presents evidence in a way that meets the needs of its customers as well as its wider audience.

To assist with tailoring the presentation styles, the target audience can be categorised and in most cases prioritised as follows:

Internal Welsh Government Audience:

- Welsh Government Policy makers, RDP Scheme Managers in the Sustainable Futures Division, and project sponsors internal to the Welsh Government;
- Welsh Government policy staff (e.g. Economy and Transport, Health, Local Government);
- WEFO Programme Management Division and the Cap Planning Division; and
- Welsh RDP Network.

External Audience:

- European Union;
- Programme Monitoring Committee;
- Project sponsors in organisations external to the Welsh Government;
- Policy formulators in local government and third sectors;
- LEADER Local Action Groups (LAGs);
- Other UK Managing Authorities;
- UK RDP Network; and
- Academic Community.

All communications activities will need to consider how to achieve maximum value in promoting the Structural Funds and the RDP as well as the research findings.

A list of proposed communication activities would be:

- Arranging publication timings to allow linkage to existing events; e.g. Rural Network meetings and the WEFO Annual Event;
- Agreeing the dissemination arrangements for individual reports;
- Using Gwlad and RDP quarterly e-bulletins as well as WEFO Twitter and WEFO News Updates for publicity;
- Coordinating with Ministerial announcements/visits/plenary/committee business;
- Working with other public private and voluntary bodies;
- Optimising the current Web presence and linking to related sites; and
- Working with WG press office to decide if/when press notices, briefings or interviews (national and/or regional) are necessary.
- Work with the Wales Rural Network to ensure evaluation reports and guidance documents are circulated to schemes/projects funded under the RDP

In addition to considering the above opportunities, regular reviews of existing media communications will be scheduled to facilitate improvements and updates to the activities list.

Ongoing background work to keep the website up to date will be utilised as the backbone of the communications plan. This should be supplemented by periodic email updates and seminars for interest groups.

Careful timing consideration is required to ensure that maximum publicity impact is obtained. Delaying publicity around evaluation publications to maximise impact and achieve synergies with other publicity arrangements will always be considered.

The success of this evaluation communication plan will be measured according to the following criteria:

- Number of RDP and WEFO Website hits for the evaluation pages;
- Number of press articles;
- Number of media interviews(national and/or regional);
- Number of quotations and references from RDP and Structural Funds research in the National Assembly's record of proceedings;
- Number of references and quotations from Structural Funds and RDP research in Welsh Government policy consultations;
- Number of references and quotations from RDP and Structural Funds research in other stakeholder policies and strategies; and
- Number of joint working and research activities with partners.

Periodic reports on these measures will show how the profile of Structural Funds and RDP research is being maintained and improved within and outside Wales.

The Strategy team will maintain an ongoing log of all recommendations from each completed evaluation which will monitor the responses of policy customers to each recommendation and track the actions that they have taken as a result. This log provides a key mechanism with which the Strategy team will follow-up evaluation results, and provides further evidence to monitor the delivery of the evaluation communication plan activities with Managing Authority staff and project sponsors / scheme managers.

Annex A – Evaluation Approach to Measuring Result Indicators

Over-arching evaluation approach to the ERDF result indicators

The Strategy Team will commission evaluations to evaluate the contribution of the Programmes to any changes observed against the result indicators. In the majority of cases this will be undertaken in a two-stage approach. Firstly an evaluation will be undertaken at the level of the assisted unit (e.g. business). Wherever possible, the Strategy Team will commission Counterfactual Impact Evaluations (CIEs). Where CIEs are not feasible, alternative methods will be used, e.g. surveys of assisted businesses or Theory Based Impact Evaluations at project level. The results from these evaluations will then be combined with data for the result indicators to provide an informed discussion of the effects of the Programmes on any changes tracked by the result indicators. This will take account of the pre-existing trends and any other policy development and changes in the economy that have occurred during the programming period. More detail on the evaluation approach is given in Table A.1.

Table A.1 – Evaluation approach to assessing progress against the ERDF result indicators

Specific Objective	Result Indicator	Evaluation Approach
1.1: To increase the success of Welsh research institutions in attracting competitive and private research funding	Research income for Higher Education Institutions	Research with supported HEIs to determine whether income from research grants and contracts has increased and whether ERDF played any role in this. Results from the research will be considered in the context of changes in result indicator, with a wider consideration of any other factors which may have had an effect
1.2: To increase the successful translation of research and innovation processes into new and improved commercial products, processes and services, in particular through improved technology transfer from HEIs	Average share of total turnover from product innovation, and novel innovation: new to market, new to business and significantly improved	Research with supported businesses to determine whether ERDF support has resulted in any increase in turnover and survey / qualitative research to probe whether any increases are due to product and process innovation. Relating of these findings to any changes in result indicator, with a consideration of any other factors which may have had an effect. A CIE will also be attempted using data linking to observe any changes in turnover for supported businesses and compare this with a control group.
2.1: To increase the amount of finance available to SMEs for both business start-up and for business expansion	Amount invested in Venture Capital and Expansion Capital	A project-level evaluation of the Wales Business Fund. Results from the evaluation will be considered in the context of changes in result indicator, with a wider consideration of any other factors which may have had an effect

2.2: To increase the number of SME start-ups through the provision of information, advice and guidance and support for entrepreneurship	Count of birth of new enterprises	Research with individuals supported to set up a business to determine whether business was set up and whether ERDF played any role in this. Results from the research will be considered in the context of changes in result indicator, with a wider consideration of any other factors which may have had an effect
2.3: To increase the uptake and exploitation of NGA and ICT infrastructure by SMEs	SME use of fibre and cable broadband	Research with supported businesses to determine whether ERDF support has resulted in any increase in uptake and exploitation of NGA and ICT infrastructure and whether ERDF played any role in this and what effects, if any, this has had on their business performance. A CIE may be feasible to assess any effects on business performance.. Results from the research will be considered in the context of changes in result indicator, with a wider consideration of any other factors which may have had an effect
2.4: To increase the growth of those SMEs with growth potential, in particular through accessing new markets (both domestic and international)	Employment within small (10-49 employees) and medium (50-249) SMEs	CIE to determine whether ERDF support has resulted in any increase in employment of supported businesses. Results from the CIE will be considered in the context of changes in result indicator, with a wider consideration of any other factors which may have had an effect. Research will also be undertaken with supported businesses to get their feedback on the support they received through this SO.
2.5: To address market failures in the availability of finance, in particular risk capital, for Welsh SMEs to undertake innovation and commercialise R&D	Early stage equity investment	A project-level evaluation of the Wales Business Fund. Results from the evaluation will be considered in the context of changes in result indicator, with a wider consideration of any other factors which may have had an effect
3.1: Increase the number of wave and tidal energy devices being tested in Welsh waters and off the Welsh coast, including multi-device array deployments, thereby	Installed capacity in wave and tidal	Direct monitoring of energy generated by supported investments (operations and projects). Relating this to any changes in result indicator, with a consideration of any other factors which may have had an effect (e.g. energy generated by other schemes not supported by ERDF)

establishing Wales as a centre for marine energy production		
3.2: To increase the number of small scale renewable energy schemes established	Number of sites generating electricity from renewable sources (excluding PV)	Direct monitoring of number of supported sites generating electricity from renewable sources. Findings will be considered in the context of changes in result indicator, with a wider consideration of any other factors which may have had an effect on the indicator (e.g. new sites not supported by ERDF)
3.3: Increase the energy efficiency of the existing Welsh housing stock, particularly in areas of fuel poverty	Energy efficiency rating of households facing severe fuel poverty	Comparison of the potential energy efficiency rating on the Energy Performance Certificate (EPC) with the original energy efficiency rating on the EPC for supported households. As the potential energy efficiency rating is calculated on the basis of energy efficiency measures being installed by ARBED, the sole operation in this SO, this approach will capture the energy improvements as a result of the measures. The evaluation will also focus on delivery, an assessment of the quality and accuracy of the EPC calculations and the quality of the installations.
4.1: To address issues of peripherality and improve private investment in local areas through improvements to the functioning of the Trans-European Transport Network (TEN-T)	Average speed on supported sections of the A40 and A55 TEN-T network	Project-by-project baselines will need to be set based on the specific section being targeted. Direct monitoring of travel time on supported developments pre (baseline) and post intervention (project activities). Findings will be considered in the context of changes in result indicator, with a wider consideration of any other factors which may have had an effect on the indicator, e.g. other developments in the area. Baselines and monitoring will also be required to look at safety improvements
4.2: Increasing urban and labour mobility to and from key urban and employment centres	West Wales and the Valleys: The number of people within 15, 30, 45 and 60 minute travel time thresholds of a key urban	West Wales and the Valleys: Direct monitoring of travel to work times via public transport pre (baseline) and post intervention (project) for each project. Findings will be considered in the context of changes in result indicator, with a wider consideration of any other factors which may have had

	<p>employment centre between 7am and 9am on a Tuesday by public transport</p> <p>East Wales: Total passengers using public transport between key urban links</p>	<p>an effect on the indicator (e.g. other transport developments not supported by ERDF). Considerations will also be given to looking at assessing impacts on the access to employment and other economic impacts</p> <p>East Wales: Project-by-project baselines will need to be set based on the specific urban links being targeted. Direct monitoring of passenger numbers and consideration of any other factors which may have had an effect on the indicator.</p>
4.3: To contribute to Digital Agenda for Europe targets in Wales for 100% access to next generation broadband (30Mbps and above) and 50% access to 100Mbps	Proportion of premises that are in postcodes served by NGA networks	Direct monitoring of number of premises in postcodes served by NGA networks pre (baseline) and post intervention (project). Results from the monitoring will be considered in the context of changes in result indicator, with a wider consideration of any other factors which may have had an effect on the indicator e.g. other non-ERDF investment, business relocation
4.4: To increase employment through investments in prioritised local or regional infrastructure supporting a regional or urban economic strategy	Claimant Count rate in Travel to Work Areas	Direct monitoring of employment rate for relevant Lower Super Output Areas. Results from the monitoring will be considered in the context of changes in result indicator, with a wider consideration of any other factors which may have had an effect on the indicator, e.g. other non-ERDF investment, economic conditions

Over-arching evaluation approach to the ESF longer-term result indicators

The Strategy Team will commission regular surveys of individuals who have left an ESF project to collect data to report against the longer-term result indicators. These surveys will be designed to collect data for a representative sample of ESF participants. Our ESF Leavers Surveys in the 2007-2013 period struggled to achieve enough responses from the most disadvantaged groups of participants to produce a representative sample. The 2013 ESF Leavers Survey piloted a qualitative element to engage with these participants. This element successfully captured the views of groups of participants who had previously been under-represented in the ESF Leavers Surveys which increased our understanding of how ESF projects are helping the most disadvantaged. However, the qualitative element was not able to achieve a sufficient number of extra responses to make the overall survey representative. The Strategy Team is therefore considering the following extra steps to address this issue for the 2014-2020 Programmes:

- Ensure projects comply with WEFO's participant level data reporting requirements;

- Work closely with projects to agree the best way of undertaking research with participants and to avoid any duplication between project and programme level evaluation;
- Consider using text messages or social media to alert participants that they will be contacted as part of a research study or to remind them of a pre-arranged appointment;
- Consider ‘boosting’ the samples for particular projects or groups of participants; and
- Explore options for linking WEFO data to DWP data to examine future employment patterns of ESF participants.

Table A.2 - Evaluation approach to assessing progress against the ESF longer-term result indicators for the Specific Objectives

Specific Objective	Result Indicator	Evaluation Approach
1.1: To increase the employability of those closest to the labour market at most risk of poverty	Short term unemployed participants with low skills or a work limiting health condition or disability in employment 6 months after leaving	ESF Leavers Survey; data linking; CIE
	Individuals impacted by redundancy in employment 6 months after leaving	
1.2: To increase the employability of Economically Inactive and Long Term Unemployed people aged 25 and over, who have complex barriers to employment	Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment in employment including self employment 6 months after leaving	ESF Leavers Survey; data linking; CIE
	Long-term unemployed (aged 25 and over) who have complex barriers to employment in employment	

	including self employment 6 months after leaving	
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Table A3 - Evaluation approach to assessing progress against the ESF longer-term result indicators

Result Indicator	Evaluation Approach
Participants in employment, including self-employment, six months after leaving	ESF Leavers Survey; data linking; CIE
Participants with an improved labour market situation six months after leaving	ESF Leavers Survey; data linking; CIE
Participants above 54 years of age in employment, including self-employment, six months after leaving	ESF Leavers Survey; data linking; CIE
Disadvantaged participants in employment, including self-employment, six months after leaving	ESF Leavers Survey; data linking; CIE

Annex B - Detailed Discussion of Impact Evaluation Approaches

The DG Regio and DG Employ monitoring and evaluation guidance documents for the 2014-2020 programming period identify two different types of impact evaluation: Counterfactual Impact Evaluation and Theory Based Impact Evaluation.⁶

Counterfactual Impact Evaluation

Counterfactual Impact Evaluation (CIE) is a technique that makes use of a credible control group to estimate the 'counterfactual', i.e. what would have happened in the absence of the intervention. Without a rigorous estimate of the counterfactual it is rarely possible to say with any credibility that the intervention has led to the result that is being observed by the result indicator.

At the time of writing, at programme level on the ESF side, the Strategy Team has successfully commissioned four CIEs of ESF support to help unemployed and economically inactive individuals enter employment and is in the field with a fifth study. These CIEs have used data from the Leavers Survey for the treated group and data from the Annual Population Survey for the control group. Propensity Score Matching was used to construct the control group.⁷ Given the demonstrated feasibility of this type of analysis, the Strategy Team will continue to commission this work in the 2014-2020 period. Furthermore, the Strategy Team will also investigate the feasibility of using administrative data such as those held by the Department for Work and Pensions (DWP) as the source of data on both the treated and control groups, as was undertaken in an impact evaluation of ESF in England conducted by the DWP.⁸

At the time of writing, on the ERDF side, the Strategy Team has commissioned one CIE of ERDF support for businesses.⁹ This study attempted to link WEFO data on ERDF-assisted businesses with business-level data from external sources with a view to obtaining outcome data on ERDF-assisted businesses and using these sources to construct a suitable control group. Due to limited data availability in the WEFO enterprise database and the external data sources at the time of the study the CIE was unsuccessful.¹⁰ The Strategy Team is currently managing a second study now that more data are available. If this study is successful, the Strategy Team will repeat this type of analysis in the 2014-2020 period.

There are advantages to undertaking CIEs at both programme and project / scheme level. Programme-level analysis provides larger sample sizes which allow sophisticated statistical matching techniques such as Propensity Score Matching to be used. However,

⁶ "Concepts and Recommendations", DG Regio, March 2014; and "Monitoring and Evaluation of European Cohesion Policy – European Social Fund", DG Employ, September 2014

⁷ For more information see the reports of the 2010, 2011 and 2012 *ESF Leavers Surveys* (Cardiff University et al, 2012; 2013, 2014), available at <http://wefo.wales.gov.uk/publications/guidance-and-publications/Publications14-20/monitoringevaluation/programmeevaluations/?lang=en>.

⁸ *Early Impacts of the European Social Fund, 2007-13*, Ainsworth and Marlow, 2011, available at <https://www.gov.uk/government/publications/early-impacts-of-the-european-social-fund-2007-to-2013-in-house-research-no-3>

⁹ See report of *ERDF Business Survey* (Old Bell 3 et al, 2012), available at <http://wefo.wales.gov.uk/publications/guidance-and-publications/Publications14-20/monitoringevaluation/programmeevaluations/9615751/?lang=en>.

¹⁰ A detailed discussion of the reasons for the lack of success can be found in Chapter 5 of the report of the *ERDF Business Survey*.

even within a single Priority a mix of different interventions can be funded so Programme and Priority level impact evaluations only provide an average effect across a number of different interventions which is not helpful in determining whether a particular intervention has been effective, unless findings can be disaggregated to intervention level. Given the greater uniformity of activity within a single project or scheme, a project / scheme level CIE can be more focussed on a particular intervention and even when a project / scheme does not have a large enough number of beneficiaries to facilitate comparisons with larger datasets creative approaches to constructing a control group can be used such as that used in the evaluation of ReAct.¹¹ Furthermore, some of the larger projects and schemes are capable of generating sample sizes large enough to facilitate statistical matching. For the 2014-2020 period the Strategy Team will continue to commission CIEs at programme level and will work with project sponsors and scheme managers to undertake them at project / scheme level, where appropriate.

A type of CIE that has not yet been undertaken on the ESI Programmes in Wales is the Randomised Control Trial (RCT) design. In an RCT, participants are randomly allocated either to a group who will receive the intervention (the 'treatment' group) or to a group who will not (the 'control' group). The researcher observes the outcomes for both the treatment and control groups after the intervention, and, due to the rigour of the design, any differences between the two groups after the intervention are likely to be due to the intervention.

An RCT is the very best type of CIE but there are many practical challenges to successfully implementing RCTs, e.g. the project would have to be managed very strictly to ensure only those in the treatment group receive the intervention. RCTs are also challenged on ethical grounds due to their denial of treatment to eligible individuals and organisations. However, such ethical dilemmas have not prevented extensive use of RCTs in medical research. RCTs are only really feasible for discrete interventions so they can be ruled out at programme level because, as discussed above, the Programmes (and Priorities) fund a mix of different interventions. However, if the practical challenges can be addressed – and the DG Employ guidance on CIEs cautions against “the impulse to rule randomisation out of bounds in all cases without proper consideration” – then RCTs *can* be applicable at project or scheme level.¹² The DG Employ CIE guidance also states that RCTs “are often best implemented in evaluating new pilot interventions rather than existing ones”.¹³ The Strategy Team will therefore work with project sponsors and scheme managers to identify those pilot interventions where RCTs could be used. It is important to note that, if an RCT is deemed applicable for a particular project or scheme, it need not be the case that the entire project or scheme be delivered on a randomised basis. The elements of a project or scheme that are well-established could be delivered to all eligible individuals / businesses whereas a 'newer' element that the project / scheme manager wants to test could be delivered to individuals / businesses selected randomly. There are other variations of the RCT design which overcome some of the ethical objections to denying eligible individuals / businesses treatment: the pipeline, instrumental variables, and randomised encouragement designs. The Strategy Team will work with project sponsors to identify those projects where it may be applicable to use these designs.

¹¹ *Interim Evaluation of ReAct*, Old Bell 3 et al, 2011, available at <http://gov.wales/statistics-and-research/evaluation-redundancy-action-programme/?lang=en>.

¹² *Design and Commissioning of Counterfactual Impact Evaluations: A Practical Guidance for ESF Managing Authorities*, Morris et al, 2012, p.11

¹³ *Ibid.*, p.14

Unfortunately, CIEs are not applicable to all areas of the Programmes. The DG Regio monitoring and evaluation guidance for the 2014-2020 period states that CIEs are only suitable for “relatively homogenous interventions with a high number of beneficiaries”.¹⁴ A further limiting factor is that the outcomes of interventions should be tangible and clear to measure. The Strategy Team envisages that CIEs will be possible for ERDF and RDP business-level interventions aimed at business growth and productivity and for ESF and RDP interventions aimed at helping people into work.

In the areas of the Programmes where it is not feasible to undertake CIEs, the Strategy Team will work with project sponsors, scheme managers and the Evaluation Advisory Group to develop alternative methods – although it must be acknowledged that these will lack the rigour of CIEs.

Theory Based Impact Evaluation

Whilst a CIE assesses whether an intervention works, a Theory Based Impact Evaluation (TBIE) assesses how an intervention works (or does not work). A TBIE is an evaluation which tests the ‘theory of change’ of an intervention, or its intervention logic and whether the intervention is being delivered in a way consistent with the original intervention logic.

During the 2007-2013 period the Strategy Team has not undertaken many TBIEs at programme level, although a theory-based approach was taken in an Evaluation of Axes 3 and 4 of the RDP. However, TBIEs are extremely valuable at project and scheme level where it is possible to focus in depth on how an intervention is operating. The Strategy Team will therefore work with project sponsors and scheme managers to ensure TBIEs continue to be undertaken at this level.

Moreover, in parts of the Programmes where it is not possible to undertake CIEs, the Strategy Team will consider whether some carefully designed TBIEs at programme or Priority level could provide some useful insight. This was the approach taken in the Evaluation of Axes 3 & 4 where a CIE approach was not feasible to understand the difference made by these RDP areas. One area in which it may be fruitful to undertake a programme / Priority level TBIE could be in relation to ‘added value’. At this point it should be noted that, in the context of the ESI Programmes, ‘added value’ means something different to ‘impact’. Impact is the effect of the interventions funded by the Programmes and is measured at the level of the result indicator but with evaluation evidence to estimate the counterfactual. Added value is the additional activities that the European funding makes possible and is measured at the level of the output indicator. In a paper presented to the ESF Evaluation Partnership in December 2008, the European Commission formulated a typology of added value consisting of four types:

- **Volume** - ESF action 'adds' to existing action, either by supporting national action in general ('mirroring') or specific areas of national policy ('boosting')
- **Scope** - ESF action 'broadens' existing action by supporting groups or policy areas that would not otherwise receive support
- **Role** - ESF action supports local/regional innovations that are taken up at national level or national innovative actions that are then 'mainstreamed'

¹⁴ “Concepts and Recommendations”, DG Regio, March 2014, p.7

- **Process** - ESF action influences Member States administrations and organisations involved in the programmes¹⁵

The Strategy Team will consider the use of this typology in TBIEs at programme / Priority level in the 2014-2020 period.

The Strategy Team will evaluate the impact of every Priority, focussing on the contribution of the Programmes to any changes observed in the result indicators. This will be met through a mix of CIEs and TBIEs at both project / scheme and programme level. For Priorities where a small number of interventions are foreseen it may be more appropriate for these impact evaluations to be undertaken at project / scheme level e.g. Glastir in the Environment Priorities in the RDP and the transport projects in the ERDF Connectivity and Urban Development Priority. For such project and scheme level evaluations the Strategy Team will be represented on the steering group for the evaluations. For impact evaluation of transport interventions the evaluation will have a strong focus on attempting to identify any economic benefit of the intervention.

The Strategy Team is encouraging project sponsors to undertake baseline evaluations to establish baselines against which any changes can be measured following the project's activities.

¹⁵“Methodological note: A Framework to describe the Community Added Value of the ESF”, DG Employ, 2008

WALES PROGRAMME MONITORING COMMITTEE, EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014 – 2020:

Monitoring and Evaluation Strategy – Proposed Amendments and Progress Update

Issue

1. The purpose of this paper is to update Members on progress with implementing the Monitoring and Evaluation Strategy for the European Structural and Investment (ESI) Funds.

Recommendation

2. Members are asked to:
 - **Approve** the proposed amendments to the Monitoring and Evaluation Strategy; and
 - Note and comment on the progress made.

Background

3. Article 110(1) of the Common Provisions Regulations states that the PMC shall examine progress made in implementation of the evaluation plan¹ and the follow-up given to findings of evaluations. The PMC approved the Monitoring and Evaluation Strategy at the meeting in September 2015 but some amendments are proposed, as discussed below. An update on progress in the last 12 months is also given below. The Strategy Team leads on monitoring and evaluation of the ESI funds.

Proposed Amendments

4. The Monitoring and Evaluation Strategy was drafted and approved by the PMC in 2015. Since then, the 2014-2020 programmes have progressed into the delivery phase, the Ex Post Evaluations of the 2007-2013 programmes have been finalised and the Monitoring and Evaluation Advisory Group (MEAG) has been set up and has met three times. The PMC also received an update on progress of the Strategy at the December 2016 meeting; as well as updates on specific pieces of work such as the ex-ante evaluations. Also

¹ In Wales, the evaluation plan is referred to as the Monitoring and Evaluation Strategy

during this period, the UK voted to leave the EU. These events have inevitably led to some reflection on the evaluation schedule, and, as a result, the Strategy Team has identified some additional research studies which were discussed with the MEAG in September 2017. These are identified in Tables 2 and 3 in the Strategy (pages 12-15).

5. The Strategy originally planned to undertake regular surveys of ERDF and RDP supported businesses and to share operation / scheme level data from these surveys with those responsible for ERDF operation and RDP scheme level evaluations so that they would not have to undertake their own surveys. This approach is analogous to the approach taking place for ESF participants, in which a programme wide survey is providing data for both programme and operation level evaluations. However, the volume of data the Strategy Team has received on ERDF supported businesses to date is not as large as that received on ESF participants. The Strategy Team discussed this with the Monitoring and Evaluation Advisory Group (MEAG) at its September 2017 meeting. It was agreed with MEAG that, for ERDF, the Strategy Team should delay the commissioning of any survey of assisted businesses until at least 2019 to ensure a sufficient sample size. A programme-wide business survey would then be commissioned working closely with operations to ensure the survey meets their needs. For the RDP, MEAG advised that the Strategy Team commission surveys of RDP supported businesses as part of RDP scheme level evaluations managed by the Strategy Team, aligning with wider survey work being planned.

Progress Update: Evaluation of the 2007-2013 Programmes

6. It is inevitable that evaluation of the programmes will 'lag' programme delivery, given that activity needs to take place before it can be evaluated usefully. For this reason, over the last year, the Strategy Team has continued to focus work on evaluations of the 2007-2013 Programmes, whilst continuing planning for 2014-2020 evaluation approaches.
7. The Strategy Team published the two main survey based evaluations on the ESF and ERDF Programmes, the **Combined Analysis of the 2009-2013 ESF Leavers Surveys** and the **Evaluation of ERDF Support for Businesses**.²
8. The Strategy Team also finalised the **Ex Post Evaluations of the 2007-2013 Structural Funds Programmes and the RDP**. These will be published soon.
9. The Strategy Team has also been developing a specification for the **Evaluation of ERDF Infrastructure** which is about to go out to tender.

² Reports available at <http://gov.wales/funding/eu-funds/previous/programme-evaluation/58899873/?lang=en> and <http://gov.wales/funding/eu-funds/previous/programme-evaluation/59017922/?lang=en>.

Whilst many ERDF infrastructure projects have been evaluated independently, these evaluations were often undertaken around the time the projects were being delivered, or shortly afterward, which meant that it was often not possible to investigate particular aspects, such as how the infrastructure is used. Although there is an Ex Post Evaluation of the 2007-2013 programmes, this was solely based on existing programme and project evaluations, which means that there are gaps in our knowledge of how different types of infrastructure are connected and used. The first report of the evaluation will address the first aim below and will be delivered in October 2018. The second report will address the second and third aims below and will be delivered in June 2019. The aims of the proposed evaluation are:

- to investigate the usage and maintenance of the new/improved infrastructure;
- to investigate whether, and if so how, new and improved infrastructure within the three regions of Wales (North Wales, South West and Mid Wales, and South East Wales) work together, for the benefit of the region in terms of the local economy, residents, and businesses; and
- to consider the feasibility of undertaking an impact evaluation of infrastructure and set out recommended methods.

Progress Update: Evaluation of the 2014-2020 Programmes

10. During 2017 the Strategy Team published the **Ex Ante Assessment of an ERDF Financial Instrument on Business Sites and Premises**.³ In 2016, the Strategy Team had commissioned Regeneris to assess the feasibility of Financial Instruments to support four kinds of infrastructure: research and innovation; marine energy; broadband; and business sites and premises. An initial screening exercise completed by Regeneris concluded that, of these kinds of infrastructure, there is most scope to deliver Financial Instruments to support business sites and premises.
11. Regeneris then assessed market conditions affecting the supply of business sites and premises in West Wales and the Valleys and determined whether there are any investment needs that are not being met by the market but which could be met via a Financial Instrument. Regeneris concluded that **a Financial Instrument would not be an appropriate mechanism to support the development of business sites and premises in West Wales and the Valleys**. Whilst Regeneris found evidence of market failure, this is mainly due to the viability of potential sites rather than availability of finance. Regeneris considered these viability issues to represent too large an obstacle for a financial instrument to address via repayable finance. They concluded that, in such cases, there remains a case for grant funding, where social benefits exist to make such schemes viable from a public interest perspective. The

³ Report available at: <http://gov.wales/funding/eu-funds/2014-2020/programme-evaluations/financial-instruments/?lang=en>

report also outlines a number of principles for WEFO and beneficiaries to consider when providing grants for business sites and premises, including awareness of potential displacement effects, and these remain relevant for other regeneration-type investments.

12. During 2017, the Strategy Team continued to work with IFF Research, the contractors for the **ESF Participants Survey** to prepare for fieldwork. These preparations are taking longer than originally envisaged due to the extra time required for collaboration over the operation specific modules (sets of questions specific to different types of intervention) and the work involved in developing an acceptable process around privacy information to comply with the new General Data Protection Regulations (GDPR) which will come into place in May 2018. Fieldwork should begin soon.
13. The Strategy Team has also worked with Welsh Government economists to manage an **economic analysis to update research on factors affecting labour productivity in Wales** (which is lower than other parts of the UK). The report of this study will be published early next year.
14. The Strategy Team has gone out to tender for the **Evaluation of the RDP Farming Connect Service**. Farming Connect provides knowledge transfer, advice and training services to farm and forestry businesses within Wales. The study will act as an extended mid term evaluation and will consider a number of areas including the design and implementation of the scheme, its alignment with other EU and national schemes and strategies, the progress being made towards targets and objectives and on going assessment of outcomes of the scheme for participants. The evaluation will run until October 2019 and will culminate in a final report which will provide useful recommendations on what elements of the scheme are operating as planned and where possible improvements may be made. The findings of this evaluation will further inform the future evaluation activity of this scheme.
15. The Strategy Team has advertised the specification to undertake the **Refugees Support Scoping Study**. This research project will explore the skills held by refugees and the skills that they would like to develop in Wales. The study will explore what support refugees would need to develop and practice their skills in the Welsh context, including enterprise support and training needs. The research will explore the available opportunities, including those in agriculture and more broadly, where the Welsh Government could offer support outside of the RDP. Best practice will be reviewed as part of this research, as well as the available mechanisms to provide support to refugees. This study will provide a series of practical recommendations on the delivery of support to migrants. A number of bids have been received for the research with the contract due to be awarded in early November. Following the award the Strategy Team and relevant policy leads will meet with the successful contractor to finalise the work plan as part of the inception stage of the contract. Fieldwork is expected to commence early 2018.

16. The Strategy Team has begun designing the evaluation specification for the **RDP Sustainable Management Scheme**. The sustainable management scheme aims to support collaborative landscape-scale projects to improve the management of natural resources while also offering benefits to farm and rural businesses. The specification is in a very early stage of development and its scope and aims require refinement with input from policy colleagues. One of the principal aims of the evaluation will be to assess the perceived success and value of co-operative approaches to landscape management.
17. The Strategy Team is in frequent contact with contractors (Agra CEAS) to monitor the progress of the **Agri-insurance Feasibility Study**. The study will explore whether there is evidence of market failure in the provision of agri-insurance to farmers for catastrophic events. If there is evidence of market failure, the research will explore whether it is appropriate for the Welsh Government to develop an agri-insurance offer, and if it is, to develop a suite of options that could provide the basis for further research or development work. Fieldwork started in May with interviews with Welsh Government policy leads and the contractors are now in the process of interviewing external stakeholders which is due to be completed by early November.
18. The Strategy Team is also engaged with other research colleagues within the Welsh Government to contribute to a piece of research into the **contribution of agriculture to rural communities**. The study is premised on the idea that the contribution of agriculture to rural communities cannot be understood solely in economic terms and that agriculture may have other broader social and environmental impacts on rural communities. Given its early stage of development further work is required to refine the scope and aims of the study and provide a clearer focus. The Strategy Team will continue to liaise with fellow research and policy colleagues in Welsh Government to refine the specification.

Progress Update: Operation Level Monitoring and Evaluation

19. The Strategy Team continues to provide advice and support to Lead Beneficiaries on operation level monitoring and evaluation. This includes providing feedback on business plans and feedback and guidance on monitoring and evaluation plans. We also continue to provide support and guidance on the drafting of specifications for external evaluations.

Progress Update: Monitoring and Evaluation Advisory Group

20. The Monitoring and Evaluation Advisory Group (MEAG) met in February and September 2017. The MEAG discussed the Evaluation Key Findings and Recommendations Log, the approach to evaluating Arbed, options for undertaking in-house research and analysis of monitoring data, the draft specifications for the Farming Connect Evaluation and ERDF Infrastructure

Evaluation, the approach to evaluating the ERDF result indicators and business surveying and changes to the Monitoring and Evaluation Strategy in light of Brexit.

WEFO Lead: Kathryn Helliwell

Approved by: Rob Halford