

To ensure Members receive the most up-to-date progress information, the performance data previously included in the monitoring reports is now published on the Welsh Government Website on a monthly basis at:

Structural Funds

[https://gov.wales/funding/eu-funds/2014-2020/programme-progress/?lang=en,](https://gov.wales/funding/eu-funds/2014-2020/programme-progress/?lang=en)

RDP

[https://gov.wales/topics/environmentcountryside/farmingandcountryside/cap/ruraldevelopment/wales-rural-development-programme-2014-2020/?lang=en.](https://gov.wales/topics/environmentcountryside/farmingandcountryside/cap/ruraldevelopment/wales-rural-development-programme-2014-2020/?lang=en)

The research summaries presented previously to the PMC are now available online:

<https://gov.wales/funding/eu-funds/2014-2020/programme-evaluations/?lang=en>

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

**Friday 4 May 2018
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) and extended a warm welcome to 3 new Members. Attendees and apologies are listed at **Annex A**.

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

2. Members were advised that amendments received 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 1 December 2017 meeting:
 - RDP is still at full commitment (just over 100%) with a project level commitment of 63%.
 - The current policy commitment for RDP is £832m, which means that it is fully committed. At a project level a total of £522m has been committed, this equates to 63%.
 - The Rural Development Programme (RDP) planning for the second Programme modification has started and will be submitted in the near future. A total of 19 RDP schemes have been launched to date, 14 of which are socio-economic.
 - LEADER/RDP Approved projects - there are now 368 projects registered with Welsh Government by LEADER Local Action Groups which have been approved across Wales.
 - Policy commitment values have increased to £832m due to the change in planning rate (€1.25 to €1.18).
 - Overall across the Structural Funds programmes commitment stands at £1,496m (at the end of April) to 188 operations, this has been an increase of 22 projects and commitment has gone up by £110m.
 - At the December meeting it was reported that 67% of Structural Funds

committed (ERDF 63%, ESF 74%), currently 72% has been committed (ERDF 69%, ESF 78%).

- Since the last PMC meeting there has been a further £73m Structural Funds spend to the end of March, of which £52m are EU funds.
- Members were informed that Structural Fund Programmes must meet performance targets, agreed with the Commission, by the end of 2018 or risk triggering processes in relation to reallocation of the related 6% Performance Reserve. All the figures today assume that the targets will be met.
- The 2018 N+3 targets have been met for all of the Structural Funds Programmes with the exception of West Wales and the Valleys ERDF. However, WEFO expects to meet the West Wales and the Valleys ERDF target before the end of the year. There was a good response to the recent engagement exercise on the Future of Regional Investment which closed on 23rd March. A number of meetings with stakeholders and partners had been completed in addition to the 2 launch events in North and South Wales.
- Three nominations had been submitted for the RegioStars competition:
Smart growth: Supporting smart industrial transition – Advanced Sustainable Manufacturing Technologies (ASTUTE)
Topic of the Year 2018: Investing in cultural heritage - Pontypridd Lido and Nant Gwrtheyrn.
- The RD&I call for Priority 1 was very successful. 47 applications requesting over £170m. The available budget is £30m West Wales & the Valleys and £10m in East Wales.
- Joint statement - on 19 March the UK and EU announced an agreement on the Withdrawal Agreement which confirms the plans for a transition period, although the proviso 'nothing is agreed until everything is agreed' continues to apply.
- Therefore, whilst a transition period is now in prospect, WEFO must continue to operate as if it may prove necessary to rely on the HMT guarantee. This remains as previously reported: a guarantee underpinning commitments made up until the point of EU exit. WEFO currently aims for full commitment by March 2019.
- A number of case studies were also shown including:
 - Transformation of the Taff Vale Shopping Centre in Pontypridd
 - Centre for Environmental Biotechnology at Bangor University
 - The Shine Cymru Centre in Swansea supports young adults with learning difficulties through Business Wales project.
 - Young people living in Carmarthenshire through the WCVA's Active Inclusion Fund's Step Up project.
- Future announcements include:
 - Llysfran Park and activity Centre – part of the Welsh Government's Tourism Attractor Destinations project.

- First Minister will officially open the Menai Science Park on 10 May.
 - Geographical Data & Earth Observation for Monitoring (GEOM) led by Aberystwyth University in partnership with QinetiQ Group.
 - Europe Day 2018 is on 9 May and to mark this year there are several events taking place across Wales including a reception in Cardiff Bay on 3 May, arranged by the WCVA, which saw the Cabinet Secretary for Finance hoist an ERDF flag over a 60ft schooner, berthed outside the Senedd.
 - The Cabinet Secretary for Finance will also be taking part in a short film which will reinforce the achievements of EU Funds in Wales including structural funds, cross border programmes and EU-led programmes such as Erasmus.
 - WEFO Communications team is also busy planning a social media campaign to celebrate Europe Day and Members were encouraged to use the hashtags #EUFundsCymru and #EuropeDay.
 - The Horizon 2020 unit will be in the reception area of CP2.
 - WEFO will be hosting a cake competition where Welsh Government Merthyr staff has been invited to prepare a Europe themed cake, to celebrate the day.
 - Priorities for the period ahead include working towards 100% commitment by the end of March 2019 through a mix of new approvals and project extensions.
 - Looking at programme modifications and at extending well performing projects.
 - An independent evaluation of the engagement exercise responses is being undertaken over the summer, to avoid any potential unconscious bias. A combined list of needs has been presented to HMT by UK Managing Authorities:
 - looking for guarantees around coherent programmes (not a list of unrelated projects);
 - value on the guarantee;
 - control regime;
 - Ireland/Wales programme administration;
 - Inclusion of Technical Assistance projects.
 - Sioned and Peter Ryland attended a meeting in London with Ben Pledger about the UK Shared Prosperity Fund (UKSPF): UKG thinking appears to be at an early stage.
4. The Chair thanked Sioned Evans for her presentation and expressed her support for the range of Europe Day activities.

ERDF Programmes

5. Sue Price, Head of ERDF Programmes, WEFO, informed members that ERDF continues to make good progress with 14 approvals since the last meeting. An approval was made on the day of PMC – Llanbedr Airfield Snowdonia Aerospace.
6. Commitment currently stands at 70% across the two programmes. There is enough interest and a good range of potential projects in the pre-planning and business planning process to commit remaining funds, although there is a mismatch between where funds in the programmes presently remain uncommitted and where interest is greatest. Risk based decisions will be taken over the summer months and further financial adjustments may be necessary.
7. Performance reserve targets also need to be met and it is hoped that the modifications will address inexact assumptions to ensure those targets remain realistic.
8. Sue Price emphasized the importance of beneficiaries getting their claims in, especially for West Wales & the Valleys.
9. Sue Price updated members on activity within each priority, highlighting the following:
 - Priority 1: Research and Innovation – There is a limited uncommitted budget for this priority, but £170m grant request has been made under the latest call. Early indications suggest that the bids are very good, so quality will be a key factor in prioritising those bids to be taken forward. Sue Price explained that there will be a reserve list and applicants on the list would be well advised to develop their business plans as, if selected projects slip behind an agreed timetable they will be removed and replacement projects will be chosen off the reserve list.
 - Priority 2: SME Competitiveness – Regeneris has been commissioned to undertake an updated ex-ante assessment on the market gap for SME finance. Should this assessment confirm that the market gap for public support continues and is beyond the existing assessment then there is provision to increase the value of the existing funded Financial Instrument for improving access to finance for businesses. This may allow WEFO to increase the value of the Business Wales fund.
 - Priority 3: Renewable Energy and Energy Efficiency – this priority is the biggest risk in terms of committing funds, though it is hoped that more ,

approvals will be made over the summer. Marine energy is particularly high risk as projects are difficult to develop due to their complexity and the time it takes to develop a compliant proposal. WEFO is working through these issues, with a helpful meeting having been held recently with Marine Energy developers, Natural Resource Wales, Crown Estate and Morlais. More work planned over the summer months WEFO also continues to work with organisations developing business cases for Small Scale Community Energy operations. Capacity issues in some organisations has been slowing progress however additional support has been sourced from Welsh Government and others so it is anticipated approvals will commence in early summer

- Priority 4: Connectivity and Urban Development – Very good progress is being made in this priority, with most of the Metro proposals now having been received, with 1 already having been approved and the rest expected to be approved over the summer. ICT projects are going through due process and most of the money for that priority will soon be committed. All remaining monies under the priority are either accounted for by operations in Business Planning or are earmarked for the Metro. It is therefore anticipated that this Priority will be fully committed by end 2018.
- Sue Price went on to thank Guus Muijzers for all his support around the proposed Programme modifications. The key priorities over the next few months are to concentrate on delivery and commitment, with Sue Price again reiterating the importance of beneficiaries submitting their claims into WEFO on time and to at least financial and output profile.
- A Member raised a question with regards the level of commit of funds in Priority 2 to Broadband Exploitation and the low take up of the Priority 4 ICT infrastructure. Sue Price responded saying that the P2 Broadband Exploitation operation was a key deliverable and offered a unique offering to businesses as part of the business support package offered as part of the Business Wales Family. Broadband Exploitation added value to the larger business support schemes hence is size. The Priority 4 ICT infrastructure activity will support the remaining 4% of IT Infrastructure coverage in Wales and it is anticipated all the available funds will be commit.
- Submissions for the Priority 1 call were discussed: Sue Price indicating that the bids received were varied. Potential beneficiaries have however clearly listened and come forward with some innovative ideas. Sue Price said that the UK Government still wants to engage with FP9, there being a strong dimension of SME engagement and that the universities have embraced collaboration and have come forward with some good bids.

- Members also received an update on Small Scale Community Energy bids. Sue Price indicated due to the support that had been put in place confidence had grown that those bids that remain in business planning (three bids had pulled out) would reach formal approval. Match Funding is however an issue and some concern had been expressed around the business rate calculates that might affect a few bids. A Member asked if an issue surrounding business rates had been resolved, to which Sue Price responded that WEFO is working with ESNR colleagues and thought that this had been resolved but would clarify.

ACTION: Sue Price to investigate the issue of Business Rates.

10. The Chair reiterated the importance of beneficiaries submitting their claims.

ESF Programmes

11. Jane McMillan, Head of ESF Programmes, WEFO, informed members that there had been good progress with commitments as the programmes edged towards 78% overall commitment (82% West Wales & Valleys 63% East Wales). An additional £35m had been committed; 4 new approvals and 10 project extensions. Of the 4 new projects 2 are from Gower College Swansea, 1 is from Newport City Council and 1 from Pembrokeshire County Council project. Ongoing commitment of the programmes will come primarily from extensions to existing projects, subject to performance, rather the through new approvals. Some of the project extensions approved recently include:-

- £10m in Neath Port Talbot
- £3m Aberystwyth University KES
- £3m for Swansea University and Cardiff Metropolitan University leading on Business Growth
- £1.4m Swansea University METAL
- £9m/£10m Youth project in Denbighshire

12. Jane McMillan informed members that the 2018 N+3 targets had been achieved, with WEFO also on track for the Performance Reserve target on expenditure to be met. As with the ERDF programmes the importance of beneficiaries submitting their claims and ensuring delivery remains on target with forecasts, remains key.

13. From a delivery perspective, 31% of overall programme participant numbers have been achieved, with 8,000 people having moved into employment and 40,000 gaining qualifications. Many of the Performance Reserve targets for ESF have already been met. The future challenge remains full commitment of the programmes but planned activity with project extensions and approval of some smaller new projects indicates that commitment of the remaining 20% will be

achieved. A Member referenced Table 3, S.O1.1 stating that the number of projects hasn't come through as anticipated. Jane McMillan explained that the shortfall will be picked up by the 2 new projects coming through from Gower College. And new operations are being brought in to bridge the gap with short term unemployed participants.

14. A Member questioned at what point would it be valid to approach WEFO asking for an extension to which Jane McMillan replied that it would be towards the end of the operation or if the operation was on target and starting to achieve, with extensions being considered on a case-by-case basis.
15. A Member asked about WEFO's approach to supporting proposals being generated within Wales' regions. Jane McMillan responded that it would be through ongoing consultation and engagement with actors in the Regions; for example WEFO is already looking to see how ESF can map into City and Growth Deals. The ESF team attended a South Wales Regional Engagement Team meeting the day before the PMC meeting and that level of discussion is already in place and discussion are on going as to how the ESF portfolio will map into this. Actual delivery on the ground however is a challenge.
16. A Member said that they are engaged with the Regional Skills partnerships; however there remain concerns about which operations participants' access and are 'claimed' by. Rob Halford said that WEFO is 'plugged-in' to such issues but there is a changing and complex policy and delivery landscape. Looking to the future, WEFO is aware of the need to keep arrangements as simple as possible.
17. Another Member commented that the data was encouraging and was more impressive given where we are with employment levels. They also asked what the job retention levels were like and was there any intelligence for this?
18. Jane McMillan explained that level of intelligence would only now be emerging. She added that it where it would be beneficial for projects to continue to work with participants once they were placed into employment to help them secure a firm foothold in work and avoid the revolving door outcome of being in and out of work. This would involve working with the employer as well. She went on to add that this would be looked at as part of the current modification proposals. Tom Smithson explained that his team commissions a regular and significant ESF participant survey that asks these questions, with contractors in the field at the moment.

Welsh Government Rural Communities - Rural Development Programme

19. Eleanor Marks, Deputy Head of the Rural Development and Legislation Division,

provided an update to members on the internal changes that had been undertaken in the division; she has now taken over as Head of the Managing Authority and Hugh Morgan is now the Head of the Payments Team.

20. There has been a significant increase in spend; the £200m barrier has been exceeded. The planning exchange rate has been amended and as a result funds need to be moved between Measures through a modification. 100% commitment has been achieved through the Intermediary Bodies, 63% for projects.
21. There is a list of current and future EOI windows on the website, some have just closed are others are just opening and as with ERDF & ESF claiming is important, it's important for spend and also for indicators.
22. Eleanor Marks went on to say that spend was not as high as expected in the Farm Business Grant although the number of applications is as predicted. The Wales Rural Network is doing really well promoting and they were recently part of an OECD event in Edinburgh which was attended by over 300 guests from 35 countries.
23. A Member commented that the information was excellent and very comprehensive, they questioned the role of the PMC with regards to the role of body's job, was it to monitor or scrutinise and are we getting value for money. They went on to say that as a Member it is difficult to give full attention as far as what is being delivered given the number of documents that Members have to read. Eleanor Marks said that she was more than happy to engage with Members on an individual basis.
24. A Member spoke about the Rural Community Development Fund (RCDF) and that there were 128 full applications with 81 approved and 40% still in the pipeline. They went on to say that LEADER groups are struggling with the process as the people doing it are mainly volunteers so there is a time capacity issue. They asked if consideration could be given and whether it could mirror the Tourism Amenity Investment Support Scheme delivered by Visit Wales. In response Eleanor Marks said that she was conscious of the capacity and technical issues and that options will be looked at.

ACTION: Eleanor Marks to look at the process of applying to the Rural Community Development Fund.

25. A Member asked if the increase to £882m from £778m in the programme budget was due to the change in the planning rate. Eleanor Marks confirmed that that was the case.

26. Glastir has an extension running to December 2019, is there scope to extend this beyond that date. Farmers have been engaged for over 25 years – is there an opportunity to extend? Welcome opportunity to talk about FBG – making sensible decisions.
27. It was explained that Glastir is Brexit related and that no extension was planned at the moment, however it was being picked up as part of the Brexit plans and more detail will come out in due course.
28. A Member commented that they were pleased to see the increase in spend, however there are inconsistencies in the figures between papers WPMC(18)125 and WPMC(18)128.

Performance Framework

29. Tom Smithson, Head of Strategy WEFO provided Members with a progress update on the performance framework for ERDF, ESF and RDP.
30. For ERDF the main issue is with the way the finance allocations are constructed and this is something that is being looked at in the modifications. It was explained that each of the priorities will spend at different rates, which wasn't reflected in the original programme, and the modifications seek to address this.
31. ESF is already forecast to achieve all of its targets, with the exception of participants with no formal qualifications, which has been discussed at previous PMC meetings, given our interpretation of this indicator differs from the European Commission's definition (as very few participants present with no qualifications in this definition).
32. There has been significant improvement in RDP achievement since the last meeting but Welsh Government are aware that the main issue concerns P6; LEADER and RCDF. Modification discussions are ongoing which hopes to address some of these issues.
33. Tom Smithson informed Members that WEFO was starting to publish data on the Welsh Government website: Structural Funds information would be available in Excel and machine readable format and updated once a month, while RDP data would be updated every quarter as we continue to resolve difficulties in pulling all the data together. A link will be sent to Members. The hope is that as WEFO builds up the data-set this detailed information can be removed from the reports that are presented to PMC, which can focus on headlines and issues. Comments from Members or suggestions for improvement are welcomed as this will be a work in progress over the summer.

34. Marek Beran, European Commission, commented that the RDP figures are much better than previous reports but wanted to know why some forecasts were lower than achieved. Tom Smithson explained that this was often either an issue with expected overachievement or an error in the forecasts from applicants on the IT systems. Expected overachievement would be addressed in modifications and Hugh Morgan added that work was due to be undertaken to address project-level issues.
35. Tom Smithson acknowledged the performance framework table for RDP was difficult to interpret and the same approach used for the Structural Funds table will be used in future reports. All data in reports are taken from databases and IT systems used to manage the programmes and Hugh Morgan added that there is currently a piece of work being undertaken to review the projects that have already been approved to confirm all data is coded correctly on the systems
36. Marek Beran pointed out that the Performance Framework figures are inconsistent with the AIR and Tom Smithson explained that the figures in the Performance Framework are more up to date than the AIR: the Performance Framework figures are as of March 2018 whereas the AIR figures are as of December 2017.
37. Members were asked to send any additional specific queries on the figures to the secretariat, which can be addressed directly.
38. Members endorsed the intention for data to be made available on the website, some commenting that the amount of data Members receive for each individual PMC meeting is often somewhat overwhelming and makes it more difficult for the PMC to do its job than if this data could be accessed on an ongoing basis via the web.

ITEM 4: Cross Cutting Themes; Equal Opportunities and Gender Mainstreaming

39. Nigel Carter, Cross Cutting Themes Team WEFO, introduced the third annual report which provides the annual review of progress of the implementation of Equal Opportunities and Gender Mainstreaming cross cutting theme in the ERDF and ESF European Structural and Investment (ESI) funds 2014 – 2020.
40. Nigel Carter informed Members that it had been a busy period with a considerable amount of time spent assessing the Business Plans of potential projects and also supporting those who are coming to the mid point stage of delivery. Overall, the focus has been on ensuring that the commitments made at approval are embedded into the delivery of the activity and CCT opportunities maximised.

41. Nigel Carter took Members through the report drawing their attention to a well performing ESF project. Members were reminded of the slow progress being made on the delivery of the equality indicator and the need for an increased focus if targets were to be met. Members were informed that significant work has been undertaken with Business Wales to improve the situation.
42. The report also provided information relating to the CCT Equal Opportunities project level indicators, which were agreed by the PMC in June 2015. A full breakdown, which included a comparison with last year, was provided at Annex 2 of the report.
43. Nigel Carter advised Members that the positive feedback from stakeholders on the inclusion of this new project level reporting mechanism has continued and the team remain optimistic that these mechanisms will provide a more detailed picture of relative success at the end of the programmes.
44. The team is always exploring different ways of getting the message out to people on how equality and gender mainstreaming are being delivered and Nigel Carter pointed Members to the section of the report that showed examples of the collaboration with the WEFO Communications team in achieving this.
45. The team are also continuing to work closely with the WCVA 3SET in delivering workshops on the CCTs and how they can be delivered within the framework of the Well Being of Future Generations Act.
46. Nigel Carter drew Members attention to the WEFO Annual Event that was held at the Liberty Stadium back in November 2017 where a number of awards, presented by the Cabinet Secretary for Finance, acknowledged the excellent work being delivered through the European Funding programmes. The three shortlisted projects were:
 - Social Business Wales (ERDF) led by the Wales Cooperative Centre
 - CUBRIC (ERDF) led by Cardiff University
 - Growing Workforces through Learning and Development GWALD (ESF) led by Trinity St David's University.
47. Huw Bryer, Head of Business Wales and SME Delivery within the Welsh Government, alongside his colleague Dafydd Evans, gave a presentation highlighting the key drivers leading to the improvement in attainment against the equality indicator targets and how they have been embedding the CCTs into their delivery.

ITEM 5: Programme Modifications

ERDF

48. Tom Smithson provided Members with an update on progress and explained that there had been no changes since the December meeting for the ERDF modification, which was agreed by Members. Talks have been ongoing with Guus Muijzers about the proposals and the EC has requested the PMC formally sign off the final tracked change version of the Operational Programmes that will be submitted to the Commission. Agreement was therefore sought from Members on the basis of the papers circulated in advance of the meeting.

Members formally agreed the changed to the ERDF modifications paper.

49. Tom Smithson went on to explain that as the ESF modification paper had only been sent to Members a week before, they had not had the customary 2 weeks notice and therefore no agreement would be sought today. Members were asked instead to agree the changes through written procedure by Friday 11 May by sending their agreement to the PMC Secretariat mailbox.

50. The majority of the changes to ESF were discussed and agreed at the December PMC meeting. Tom reiterated the rationale for changes as set out in the updated papers, which have additional information included compared to the papers submitted in December. Tom emphasised that overall the targets set out at the beginning of the programme period are still all expected to be met. The new priority seeks to carry out entirely additional investment that will not negatively impact on expected outputs and results.

51. The updated proposals for the new Priority Axis included an update on the Welsh policy framework, with Prosperity for All, the Economic Action Plan and the Employability Plan all recently setting out commitments to greater regionalisation. New proposals for local government reform have also been published, with whichever option is pursued expected to complement regional working. Tom provided an update on some of the discussions to date with key stakeholders about developing ideas for the new priority.

52. In response to feedback from the EC the rationale has also been simplified and strengthened to focus on the main issues of supply already being in place, lower demand from a tighter labor market, and match funding challenges given falls in exchange rates have raised the Sterling value of the programmes. A new section demonstrating the ongoing commitment to the EU Pillar on Social Rights has also been included as a key EU policy priority that has emerged.

53. For RDP, Eleanor Marks explained that the RDP modification is currently being finalised and once the paper is ready it will be circulated to Members for their opinion prior to submission to the European Commission.

ITEM 6: Amendments to the RDP Selection Criteria

54. Eleanor Marks explained the intention of the change is to streamline the process and make it easier and more accessible for applicants applying for grants between £15,000 and £50,000; she then welcomed views and comments from Members.
55. One Member fully supports the change in terms of merging criteria 4 and 5 into one for Sustainable Management Scheme, but questioned whether organic farmers should be targeted under the new Sustainable Production Grant. Another Member endorsed this and added that organic farmers tend to be more nutrient aware and that non organic farmers should be encouraged to access this. The Member said that they welcomed outcomes for water quality as all farmers have that to give.
56. Eleanor Marks was happy to take Members' views back and discuss with the policy team.

ITEM 7: Future of Regional Policy Update

57. Sioned Evans gave an update on the recent consultation which closed on 23 March 2018: 124 responses were received; of this 41 were formal and 83 online. Of those responses the breakdown by sector were as follows:
- 22% Local Authority
 - 22% HE/FE
 - 20% Third Sector
 - 17% other Public Sector
 - 20% Private Sector
 - 7% Individuals
-
- The responses were positive, with initial indications suggesting that:
 - Funding should be devolved to Wales
 - Wales' devolved competences should be respected
 - Opportunity should be taken to strengthen and improve regional engagement
 - Wales needs to be able to continue to access EU directly managed funding
 - The multi - annual way in which EU funding is made available should be

preserved.

58. An independent analysis of the responses will be undertaken over the summer to avoid any unconscious bias creeping in to the conclusions reached and this will be reported back to the PMC in September.
59. Sioned also indicated discussions were taking place with the UK Government on successor arrangements for structural funds. It is expected these discussions will increase over the summer. The UK Government is still very early in its thinking and is conscious of the need to respect devolution settlements.
60. Sioned noted the Welsh Government has now reached an agreement with the UK Government on the Withdrawal Bill that addresses our concerns over protecting devolved settlements and would be recommending consent. A Member questioned the position of the other Devolved Administrations. For example, did Wales' agreement of the Withdrawal Bill, and the fact that Scotland has not signed up for it, put Wales in a riskier position?
61. Members raised concerns about the lack of detail or clarity on the functioning of any replacement funding mechanisms, and about the level of and basis for allocating funding in Wales, which could be significantly less. The meeting concluded that the critical thing is that we know what the rules of engagement are to be going forward. Some Members are already involved in related discussions and we need to understand very soon what will replace Structural Funds in Wales.
62. Sioned indicated this was the detail the Welsh Government was also looking to discuss with the UK Government and hopes some progress can be made over the summer.

ITEM 8: Annual Implementation Reports

63. Tom Smithson introduced the reports explaining that these are produced yearly and are based on template provided by the Commission. The RDP AIR has been prepared on last year's template as the Commission had not published the new one at the time of it being produced. He went on to say that a huge amount of work had been undertaken on these reports: the Structural Funds reports need to be submitted by 31 May 2018; and the RDP on 30 June 2018.
64. Members' approval is sought with any comments being submitted to the team will be considered prior to submission.
65. Tom Smithson explained that this is a light reporting year, explaining why some sections of the report were blank. Members were also provided with copies of the

new citizen summary on which there was still an opportunity for them to comment on and to influence before its submission.

66. He went on to explain that a few comments had already been received:

- Indicator tables include letter S & F
- Question around missing gender breakdown in ERDF
- No target in the common indicator tables under ESF

67. A Member thanked Tom for the summary but felt that 2 weeks wasn't enough time to go through all of the AIRs, given that approval was being sought, and that maybe next year there could be a dedicated session on them allowing greater opportunity for Members to scrutinize.

68. One of Commission Representatives noted the new RDP template has now been published and even though this is a light reporting it is still important for the Commission. If there is a risk of serious failure in achieving the milestones then the Commission may suspend all/whole of the payments.

69. Tom Smithson explained that the AIRs were being presented at this meeting as this is the only PMC meeting scheduled before the submission date. He agreed that additional time could be given to Members and that their approval would be sought by Friday 18 May 2018 via e-mail to the PMC Secretariat mailbox. It was also noted that separate monitoring reports were included, alongside performance framework data, to each PMC that provide more up-to-date information on programmes towards milestones than the AIRs – it was hoped these would offer the Commission assurance these are being monitored effectively.

ITEM 9: Research Summaries

70. Tom Smithson explained that since 2010 his team produces these summaries for the Structural Funds and RDP regularly for internal purposes. These ensure policy leads and programme managers have the latest evidence base to inform the development, monitoring and evaluation of operations. WEFO are happy to share these more widely if they are interest to members. Members agreed that they would and Tom Smithson suggested these could be uploaded on the same area of the website as the data tables.

ITEM 10: Any Other Business

71. A Member commented on the amount of paperwork that they had received for this meeting and asked that as their language preference had been noted would it be possible to send out a mono-lingual e-mail instead of the bi-lingual one that

currently goes out as this would reduce the number of documents in the e-mail. The Member also said that they would like to be sent a summary document highlighting certain areas of the papers that they should look at in more detail. The Chair agreed that this would be very helpful.

ACTION: PMC Secretariat to review process of circulating papers

72. The next PMC meeting will take place over a 2 day period– Thursday 13th and Friday 14th September 2018 in North Wales. Further details will be provided to Members by the Secretariat in due course.

PMC Secretariat May 2018

Wales PMC European Structural and Investment Funds 2014 -2020**4 May 2018 Welsh Government Office, Merthyr Tydfil****Chair - Julie Morgan (AM)*****Members nominated on a representative basis, from partners and statutory bodies:***

Tom Whyatt	Business and Enterprise (Industry Wales)
Lowri Owain	LEADER
Lowri Gwilym	Alternate for Rob Stewart Local Government (WLGA)
Charlotte Priddy	Farming Union Wales (FUW)
Rachel Lewis-Davies	National Farmers Union (NFU)
Rebecca Williams	Country Land and Business Association (CLA)
Huw Bryer	<i>Alternate for Duncan Hamer - Welsh Government (Economy, Skills and Natural Resources)</i>
Helen Matthews	DWP
Phil Fiander	Wales Council for Voluntary Action (WCVA)
Dyfrig Siencyn	Local Government (WLGA)
David Blaney	HEFCW
Martin Mansfield	TUC
Rachel Garside-Jones	Welsh Government
Rhian Jardine	Natural Resources Wales

Members selected via the Public appointments process:

David (Dai) Davies

Joy Kent

Beth Winkley

Grahame Guilford

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

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

Sioned Evans	Chief Executive, WEFO (ERDF, ESF)
Eleanor Marks	Head of Rural Development Division
Gordon Smith	Head of RDP and EFF Finance
Peter Ryland	Deputy Director, Programme Performance & Finance (ERDF, ESF)
Rob Halford	Head of Planning and Strategy, WEFO
Sue Price	Head of ERDF Programmes
Jane McMillan	Head of ESF Programmes
Tom Smithson	Head of Strategy, WEFO
Nigel Carter	Cross Cutting Themes, WEFO
Cath Cleaton	Secretariat
Rhiannon Clancy	Secretariat
Aled Wright	Secretariat

Apologies:

Sian Price	Public Appointed Member
Tim Render	Welsh Government
Julie Cook	TUC
Richard Davies	Further Education
Rob Stewart	Local Government
Derek Walker	Business and enterprise: social enterprises (third sector)
Duncan Hamer	Welsh Government
Iestyn Davies	Further Education
Rudi Plaut	Wales Social Partners Unit/ Commerce Cymru

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

Update on progress of Performance Framework

Issue

1. To provide the PMC with an update on progress against the Performance Framework targets for the Programmes.

Recommendation

2. The PMC is asked to note the content of this paper, including the update on progress against the Performance Framework targets given at Annex A.

Background

3. All ESI funds (with the exception of European Territorial Cooperation) have a performance reserve of 6% of the financial allocation access to which is contingent on meeting the targets set-out in the performance framework.
4. The performance framework is made up of financial and output indicators for each priority, with milestones and targets set for the end 2018 and 2023. Achievement against the 2018 milestones determines the allocation of the performance reserve.
5. The regulations foresee the ability to amend the performance framework and WEFO are currently discussing revisions to the framework with the EC, as part of the modifications to the Programmes. However the milestones set for a Priority will be deemed to have been achieved when:
 - There are no more than two indicators in the Performance Framework related to a priority, all indicators have achieved at least 85% of their milestone value by the end of 2018 or
 - There are three or more indicators in the Performance Framework related to a priority, all indicators except for one have achieved at least 85% of their milestone value by the end of 2018 and the one indicator which has not achieved 85% of its milestone value has achieved at least 75% of its milestone value.
6. In a situation where one or more Priorities of a Programme fail to meet their milestones the Performance Reserve related to those Priorities may be still reallocated among the Priorities which have achieved their milestones.

WEFO Lead: Tom Smithson

Approved by: Rob Halford

Date: 29/08/2018

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	454	>100%	115	141	>100%	69	15%	60%
1	Number of enterprises receiving non-financial support ²	3,750	1,793	48%	1,163	437	38%	235	6%	20%
2	Eligible Expenditure (€M) ¹	333	323	97%	85	202	>100%	132	39%	>100
2	Number of enterprises receiving non-financial support ²	17,375	16,223	93%	7,645	10,201	>100%	2,939	17%	38%
3	Eligible Expenditure (€M) ¹	246	94	38%	63	27	44%	21	9%	34%
3	Energy support site preparation schemes	2	3	>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	789	>100%	195	87	45%	53	7%	27%
4	Percentage of the priority financial allocation accounted by contractual agreements to deliver infrastructure works	n/a	>100	n/a	35	52	>100	14	n/a	41%
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%	32	>100%	>100%
4	Land developed (Ha)	50	162	>100%	n/a	n/a	n/a	0	0%	n/a

Source: WEFO, 31/07/2018

¹ Eligible Expenditure forecasts are conservative and based on current operation forecast to September 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	193	>100%	46	52	>100%	28	16%	62%
1	Number of enterprises receiving non-financial support ²	2,245	567	25%	629	116	18%	64	3%	10%
2	Eligible Expenditure (€M) ¹	80	74	93%	20	60	>100%	56	70%	>100%
2	Number of enterprises receiving non-financial support ²	6,420	9,264	>100%	1,798	5,775	>100%	1,544	24%	86%
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	25	26%	24	19	79%	14	15%	58%
4	Percentage of the priority financial allocation accounted by contractual agreements to deliver infrastructure works	n/a	>100	n/a	75	95	>100	23	n/a	30%
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, 31/07/2018

¹ Eligible Expenditure forecasts are conservative and based on current operation forecast to September 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	186	75%	63	59	93%	41	17%	65%
1	Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment	36,000	43,803	>100%	9,182	24,223	>100%	11,250	31%	>100%
1	Long-term unemployed (aged 25 and over) who have complex barriers to employment	10,800	19,198	>100%	2,755	10,629	>100%	5,662	52%	>100%
2	Eligible Expenditure (€M) ¹	480	511	>100%	122	243	>100%	195	41%	>100%
2	Employed participants with no formal qualifications - Male ²	14,029	5,651	40%	3,578	2,900	81%	786	6%	22%
2	Employed participants with no formal qualifications - Female ²	12,771	6,174	48%	3,258	3,088	95%	605	5%	19%
2	Employed participants with qualifications up to and including a lower secondary education - Male	23,870	22,073	92%	6,088	11,407	>100%	8,491	36%	>100%
2	Employed participants with qualifications up to and including a lower secondary education - Female	21,730	26,954	>100%	5,543	13,554	>100%	8,691	40%	>100%
2	Employed participants with lower secondary education - Male	16,070	22,465	>100%	4,099	11,405	>100%	5,467	34%	>100%
2	Employed participants with lower secondary education - Female	14,630	27,448	>100%	3,732	13,558	>100%	5,700	39%	>100%
3	Eligible Expenditure (€M) ¹	329	313	95%	84	104	>100%	85	26%	>100%
3	NEET Participants (16 - 24 years of age)	42,700	49,745	>100%	10,891	26,264	>100%	17,352	41%	>100%

Source: WEFO, 31/07/2018

¹ Eligible Expenditure forecasts are conservative and based on current operation forecast to September 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	37	42%	22	9	41%	6	7%	28%
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%	2,962	23%	91%
1	Long-term unemployed (aged 25 and over) who have complex barriers to employment	3,800	5,863	>100%	969	3,526	>100%	1,478	39%	>100%
2	Eligible Expenditure (€M) ¹	197	234	>100%	50	122	>100%	96	49%	>100%
2	Employed participants with no formal qualifications - Male ²	7,799	1,950	25%	1,989	1,160	58%	151	2%	8%
2	Employed participants with no formal qualifications - Female ²	7,101	2,025	29%	1,811	1,234	68%	152	2%	8%
2	Employed participants with qualifications up to and including a lower secondary education - Male	13,296	8,938	67%	3,391	4,851	>100%	4,087	31%	>100%
2	Employed participants with qualifications up to and including a lower secondary education - Female	12,104	10,625	88%	3,087	5,536	>100%	4,733	39%	>100%
2	Employed participants with lower secondary education - Male	6,438	9,873	>100%	1,642	5,065	>100%	2,844	44%	>100%
2	Employed participants with lower secondary education - Female	5,862	12,240	>100%	1,495	6,492	>100%	3,239	55%	>100%
3	Eligible Expenditure (€M) ¹	120	149	>100%	31	41	>100%	36	30%	>100%
3	NEET Participants (16 - 24 years of age)	21,200	27,068	>100%	5,407	13,722	>100%	6,887	32%	>100%

Source: WEFO, 31/07/2018

¹ Eligible Expenditure forecasts are conservative and based on current operation forecast to September 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	Final target to end 2023	Forecast to end 2023	Share of 2023 target forecast	Milestone target to end 2018	Forecast to end 2018	Share of 2018 target forecast	Achieved to date	Share of 2023 target achieved	Share of 2018 target achieved
2	Total public expenditure (€m)	121.7	82.2	68%	29.2	36.6	>100%	16.8	14%	58%
2	Number of holdings supported	2,431	710	29%	243	595	>100%	354	15%	>100%
3	Total public expenditure (€m)	108.6	98.8	91%	26.1	37.0	>100%	23.5	22%	90%
3	Number of holdings supported	165	509	>100%	58	464	>100%	70	42%	>100%
4	Total public expenditure (€m)	415.5	489.3	>100%	99.7	177.1	>100%	171.2	41%	>100%
4	Total area (ha) supported	706,387	779,000	>100%	600,429	659,415	>100%	659,415	93%	>100%
5	Total public expenditure (€m)	80.5	55.7	69%	19.3	21.3	>100%	16.2	20%	84%
5	Number of operations supported	583	416	71%	187	761	>100%	226	39%	>100%
5	Total area (ha) supported	63,711	113,715	>100%	51,606	71,648	>100%	5,086	8%	10%
6	Number of operations supported	653	236	36%	131	81	62%	50	8%	38%
6	Total public expenditure (€m)	206.2	170.7	83%	49.5	30.0	61%	17.6	9%	36%
6	Population covered by LAG	1,381,745	1,381,745	100%	1,381,745	1,381,745	100%	1,381,745	100%	100%

Source: WEFO, 31-07-2018

Table 6: Rural Development Programme: Alternative Performance Framework indicators

Priority	Indicator	Final target to end 2023	Forecast to end 2023	Share of 2023 target forecast	Milestone target to end 2018	Forecast to end 2018	Share of 2018 target forecast	Achieved to date	Share of 2023 target achieved	Share of 2018 target achieved
3	Number of operations supported	120	90	75%	42	38	90%	33	28%	79%

Source: WEFO, 31-07-2018

WALES PROGRAMME MONITORING COMMITTEE – RURAL DEVELOPMENT PROGRAMME 2014-2020

RURAL DEVELOPMENT PROGRAMME 2014-2020 - ERROR RATES

Issue

1. To inform the Wales Programme Monitoring Committee of the rate of error under the Wales Rural Development Programme (RDP)

Recommendation

2. To note the current rates of error for the RDP 2014-2020 and actions being to reduce the foreseen error in the fund.

Background

3. Each year Paying Agencies calculate the error rate of the fund and report those error rates to the Commission through the Head of the Paying Agency's Management Declaration.
4. The error rate is broken down by strata, giving an error rate for Area Based Rural Development Payments processed via the Integrated Administrative Controls System (IACS) and an error rate for non area (non IACS) Rural Development Payments.
5. The error rate is calculated on the rate of reduction in claims for payment for beneficiaries selected for, and subject to, random on the spot controls (i.e. a control sample).

Beneficiary Error Rates for the 2014 to 2020 programme

6. The table at Annex A shows the rates of error calculated to date under the 2014 to 2020 programme.

Root Causes of Error and Action foreseen - IACS

7. For area based Rural Development measures, errors can come from beneficiaries over declaring areas of land (Article 19 of Commission Delegated Regulation (EU) No 640/2014), or failing to respect their commitments (Article 35 of Commission Delegated Regulation (EU) No 640/2014).
8. For Wales the rate of error under Article 19 is very low, due to the established nature of farms entering into commitment and the reliability of

the Paying Agencies Land Parcel Identification System (LPIS). The majority of errors found occur due to beneficiaries not respecting their agri-environmental commitments (article 35).

9. The Welsh Government continues to undertake a range of activities to reduce the rate of error; including:
 - the publication of articles informing farmers of the 'most common errors' in the area based measures contracts and the single application form, and
 - communicating with farmers via farm outreach services to improve their understanding of agri environment scheme rules in order to minimise irregularities
10. In addition to these actions the Welsh Government increased the rate of OTSCs for IACS Rural Development measures from the 2016 campaign onwards.
11. From 2017 the Welsh Government introduced preliminary checks after the single application from closing date and Servicing Visits for all beneficiaries, where all farmer entering into agri-environmental contract will be offered an on site consultation to help ensure commitments are fully understood and common farmer errors are avoided.

Root Causes of Error and Action foreseen - Non IACS

12. For non area based Rural Development measures errors arise from over declaration of eligible expenditure (Art 63 of Commission Implementing Regulation (EU) No 809/2014).
13. Under Non Area based Rural Development measures the error rate is, and remains, low. The rate in 2016 rose due to a single anomalous case subject to a high rate of error within the random sample.

Paying Agency Error

14. In addition to the rate of beneficiary error identified by the Paying Agency, each year the independent Certification Body perform a comprehensive audit of the Paying Agency Accounts, including work on the legality and regularity of transactions.
15. For each year the Paying Agency accounts have been cleared of material error in the Certification Body's report to the Commission. However for the 2017 year (accounts from 16 October 2016 to 15 October 2017) the certification Body noted a high rate of compliance error, with a most likely error of over 50%.

16. As explained to the Commission under the Article 34 procedures earlier this year, the reason for this high rate of compliance error was due to errors in compiling the annual control statistics (on which the error rate is based) as opposed to actual errors in payments to beneficiaries.
17. At the Commission's request the Certification Body re-calculated the compliance error rate excluding those errors that were due to statistical reporting, and the revised Compliance error rate for the Paying Agency was significantly below 1% showing that the Paying Agency controls were functioning effectively.

Welsh Government Lead: Stuart Brailsford

Approved by: Hugh Morgan (Director of Paying Agency).

Date: 29 August 2018

Annex A - Beneficiary Error Rates for the 2014 to 2020 programme

Fund: Strata and Year	Total amount claimed	Total amount subject to Random On the Spot Controls (OTSC)	Total amount at error before application of sanctions as a result of Random OTSC	Error rate in financial year
	[EUR]	[EUR]	[EUR]	%
EAFRD: IACS				
2014	20,002,488	580,233	15,627	2.69%
2015	29,073,886	368,862	8,525	2.31%
2016	27,103,553	595,322	13,482	2.26%
2017	33,016,993	304,656	9,903	3.25%
EAFRD: NON-IACS				
2014	31,702,608	877,828	2,832	0.00%
2015	30,037,795	3,316,659	12,226	0.37%
2016	13,920,227	400,225	10,977	2.74%
2017	40,268,175	947,117	3,546	0.37%

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

**IMPLEMENTATION OF THE CROSS CUTTING THEME: SUSTAINABLE
DEVELOPMENT**

Issue

1. This paper provides the annual review of progress with implementation of the Sustainable Development (SD) Cross Cutting Theme (CCT) in the ERDF and ESF European Structural and Investment (ESI) Fund Programmes 2014 – 2020.

Recommendation

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

Background

3. Sustainable Development is one of the three CCTs integrated into the 2014-2020 Programmes. The General Regulations governing the European Programmes stipulate that all operations, funded through the Common Strategic Framework, must integrate Sustainable Development under Article 8. The Regulations state that 'Member States and the Commission shall ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, biodiversity, disaster resilience, and risk prevention and management are promoted in the preparation and implementation of Partnership Agreements and programmes'.

Sustainable Development Indicators

4. The Sustainable Development CCT indicators agreed with the European Commission for the current ERDF and ESF Operational Programmes are:
 - "Enterprises adopting or improving sustainable development strategies and monitoring systems"
 - "Operations integrating sustainable development into awareness raising, education and training programmes"
5. The information shown in **Annex 1** provides a useful guide to the number of operations which are delivering activity against the indicators and an update on progress.
6. The last SD report (January 2017) identified that the mobilisation phase in the current ESI programmes enabled operations to explore

opportunities to deliver the formal SD indicators. The Cross Cutting Themes team have worked closely with operations to focus on improving outcomes and upon focusing effort on working towards the final forecast total.

7. The tables presented in Annex 1 provide similar formatted data to the EO&GM report which was provided in May 2018 (showing claims in process) demonstrating the continued effort to improve delivery by the Business Wales team. As members will recall, Huw Bryer Head of Business Wales and SME Delivery within the Welsh Government, attended the May PMC and gave a presentation highlighting the key improvements made which had constituted a significant step forward with delivery in this area.
8. ESF operations continue to work towards the SD programme indicator and the likelihood is that the final achievement figure for this indicator, that has already exceeded the target for Priority 2, will be significantly higher than the 10% target for both ESF programmes.

The Cross Cutting Theme Case Level Indicators

9. In addition to the formal CCT indicators, the inclusion of the case level indicators (agreed at the 2015 PMC), is an important driver in encouraging operations to address this CCT and enables the monitoring of progress to take place systematically over the life of the programme.
10. The information provided in **Annex 2**, highlights the range of activity which is supporting the Sustainable Development CCT. The data includes a comparison with that provided in the last annual report in January 2017, demonstrating the progress made over the period. There has been a decrease in some areas, but this was anticipated as the mobilization period comes to an end and projects realise that some of the commitments made in the original Business Plans are not appropriate.
11. Overall, operations have continued to demonstrate commitment to the case level indicator mechanism and have used the opportunity to demonstrate a commitment to sustainable development. This has especially been prevalent in the recent ERDF '*calls for funding*' for community energy schemes and research and innovation proposals.
12. Examples of two Swansea University operations that have fully embraced the case level indicators are Computational Foundry and IMPACT. Both operations are funded through ERDF Priority 1, SO1.1 and therefore do not have the opportunity to contribute to the formal SD programme indicator. However, the following tables demonstrate the operations' commitment to the themes under the case level indicator mechanism:

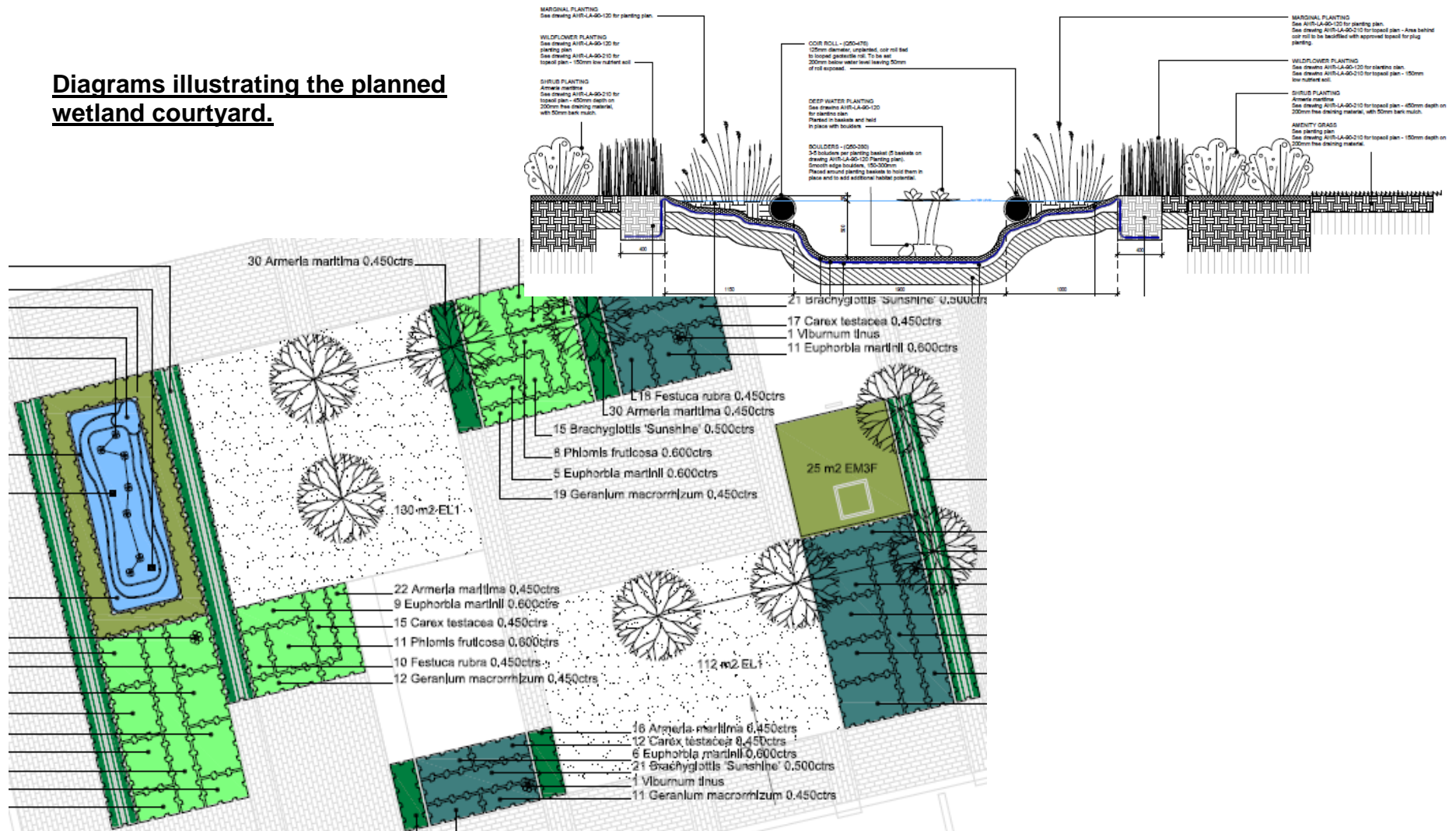
Computational Foundry	
EO&GM	<ul style="list-style-type: none"> • Activity supporting speakers of the Welsh Language
SD	<ul style="list-style-type: none"> • BREEAM Excellent • Resource efficiency measures • Use of Sustainable Urban Drainage Systems (SUDs) • Integration of green infrastructure • Attainment of CEQUALL for construction activity • Site environmental management plans • Local supply chain development • Support for biodiversity activity on a site funded through structural funds
TP&SE	<ul style="list-style-type: none"> • Integration of social clauses
CCT General	<ul style="list-style-type: none"> • Developing/ engaging CCT Champions

IMPACT	
EO&GM	<ul style="list-style-type: none"> • Positive action measure – women • Female participation in STEM • Activity supporting speakers of the Welsh language
SD	<ul style="list-style-type: none"> • BREEAM Excellent • Resource efficiency measures • Use of Sustainable Urban Drainage Systems (SUDs) • Integration of green infrastructure • Attainment of CEQUALL for construction activity • Site environmental management plans • Local supply chain development • Support for biodiversity activity on a site funded through structural funds.
TP&SE	<ul style="list-style-type: none"> • Integration of social clauses
CCT General	<ul style="list-style-type: none"> • Developing/ engaging CCT Champions

13. Both the Computational Foundry and IMPACT project teams have embraced the SD CCT during the pre-planning design stage and during the current construction phase. Both are aiming to achieve 'BREEAM Excellent' status and have encouraged contractors to adhere to the Welsh Government condition that a minimum of 10% of the total value of materials used should derive from recycled and reused sources, with 25% of aggregates used for the build coming from a secondary or recycled source.

14. These operations have also incorporated green infrastructure elements into the design of the builds; which include a bespoke wetland courtyard, wildflower and tailored landscaping taking into consideration the harsh natural conditions experienced on-site and a uniquely designed living wall.

Diagrams illustrating the planned wetland courtyard.



(Diagrams not to scale – Source: Swansea University Biodiversity Department)

15. During a recent visit to Swansea University Bay Campus, the PMC Chair, Julie Morgan AM, was able to experience first hand how projects where delivering their Cross Cutting Themes commitments. A tour of the Computational Foundry building was included in the visit, as was an opportunity to speak with staff and students on a range of other European funded projects demonstrating the synergies between the ERDF and ESF programmes. The operations included in the visit were:

- ASTUTE 2020 (ERDF)
- M2A (ESF)
- METAL 2 (ESF)
- IMPACT (ERDF)
- Computational Foundry (ERDF)

Photos: Cross Cutting Theme visit to Swansea University Bay Campus:



PR and Media

16. The Cross Cutting Themes Team continues to explore ways to publicise how operations are integrating the CCTs into their design and delivery. Working with the WEFO Communication Team, the aim is to raise the profile of the CCTs and demonstrate the added value they bring to operations
17. **Annex 3** illustrates a collection of recent WEFO tweets and a number of info-graphics which highlight various operations which are embedding the CCTs.

Partnership working

18. As part of the WCVA 3SET 'Training for European Funded Projects' programme, the CCTs Team delivered a webinar to Third Sector project deliverers. The focus was on the integration of the CCTs using the Well Being of Future Generations Act (WBFG) framework. This method of delivering awareness raising / training is very useful when trying to cover a wide geographical area and multiple partners. Whilst face to face contact is always preferable, this approach will be employed increasingly by the team in the future.

Next Steps

19. Future reports will demonstrate the progress on formal sustainable development CCT indicators and additional project level activity, alongside details of specific projects contributing to the sustainable development agenda.

Drafted by: Rhian Power-Battrick WEFO

Approved by: Rob Halford WEFO

Date: August 2018

Annex 1

Operations contributing to the formal ERDF Sustainable Development CCT indicator: ‘*number of enterprises adopting or improving their sustainable development strategies and monitoring systems*’.

Operation Title	Lead Beneficiary	Programme	Forecast	Achieved to date (July 2018)	Claims in progress
Entrepreneurship Support - Business Wales	WG - Department for Economy, Science and Transport	East Wales	1000	14	29
SME Support - Business Wales	WG - Department for Economy, Science and Transport	East Wales	3250	60	139
Social Business Wales	Wales Co operative Centre	East Wales	50	26	-
Entrepreneurship Support Business Wales	WG - Department for Economy, Science and Transport	West Wales and the Valleys	1500	52	89
SME Support Business Wales	WG - Department for Economy, Science and Transport	West Wales and the Valleys	4800	156	299
Social Business Wales	Wales Co operative Centre	West Wales and the Valleys	200	77	-

Source: WEFO July 2018

Operations contributing to the formal ESF Sustainable Development CCT indicator: ‘operations integrating sustainable development into awareness raising, education and training programmes’.

Operation Title	Lead Beneficiary	Programme	Forecast	Achieved to date (July 2018)
Apprenticeships	WG - Department for Education and Skills	West Wales and the Valleys	1	-
Traineeships	WG - Department for Education and Skills	West Wales and the Valleys	1	-
Agile Nation 2	Chwarae Teg	West Wales and the Valleys	1	-
TRAC 11-24 West	Denbighshire County Borough Council	West Wales and the Valleys	1	-
KESS II	Bangor University	West Wales and the Valleys	1	-
Materials and Manufacturing Academy	Swansea University	West Wales and the Valleys	1	-
Apprenticeships Skills Enhancement Programme I	WG - Department for Education and Skills	West Wales and the Valleys	1	-
Skills for Employers and Employees	Coleg Cambria	West Wales and the Valleys	1	1
Skills for Employers and Employees	Coleg Cambria	West Wales and the Valleys	1	1
Skills for Industry 2 SO1	Gower College Swansea	West Wales and the Valleys	1	1
Skills for Industry 2 SO 2	Gower College Swansea	West Wales and the Valleys	1	1
Cam Nesa	Pembrokeshire County Council	West Wales and the Valleys	1	-
Leading Business Growth	Swansea University	West Wales and the Valleys	1	-

Operation Title	Lead Beneficiary	Programme	Forecast	Achieved to date (July 2018)
Achieve through Work Experience	Higher Education Funding Council for Wales	West Wales and the Valleys	1	-
Workways II	Neath Port Talbot County Borough Council	West Wales and the Valleys	1	-
Inspire 2 Achieve	Blaenau Gwent County Borough Council	West Wales and the Valleys	1	-
METAL 2	Swansea University	West Wales and the Valleys	1	-
Growing Workforces Through Learning and Development (GWLAD)	University of Wales Trinity Saint David	West Wales and the Valleys	1	1
North Wales Business Academy Project (NWBA)	Grwp Llandrillo-Menai	West Wales and the Valleys	1	-
Apprenticeships	WG - Department for Education and Skills	East Wales	1	-
Traineeships	WG - Department for Education and Skills	East Wales	1	-
Agile Nation 2	Chwarae Teg	East Wales	1	-
TRAC 11-24	Denbighshire County Borough Council	East Wales	1	-
Apprenticeships Skills Enhancement	WG - Department for Education and Skills	East Wales	1	-
Skills for Employers and Employees	Coleg Cambria	East Wales	1	1
Skills for Employers and Employees	Coleg Cambria	East Wales	1	1

Operation Title	Lead Beneficiary	Programme	Forecast	Achieved to date (July 2018)
Welsh Financial Services Graduate Programme	Welsh Contact Centre Forum Ltd	East Wales	1	1
Cynnydd	Powys County Council	East Wales	1	-
North Wales Business Academy (NWBA)	Grwp Llandrillo-Menai	East Wales	1	-
Achieve through Work Experience East Wales	Higher Education Funding Council for Wales	East Wales	1	1
Workways Plus Powys	Powys County Council	East Wales	1	1

Source: WEFO July 2018

Annex 2

The following table demonstrates the level of commitment that operations have made to deliver activity contributing towards the sustainable development case level indicators:

ERDF	January 2017	July 2018
Develop an Eco-code	24	34
Local supply chain development	26	59
Integration of green Infrastructure	15	31
Integration of blue infrastructure	10	19
Support for bio-diversity activity on a site funded through Structural Fund's	8	26
Development of an organisational travel plan and sustainable transport initiatives	25	60
Resource efficiency measures	37	73
Site environmental management plans	16	37
BREEAM excellent where applicable	9	20
Attainment of CEQUALL for construction activity	12	16
Use of Sustainable Urban Drainage Systems (SUDs) where applicable	13	26
Total	195	401

ESF	January 2017	July 2018
Develop an Eco-code	25	25
Local supply chain development	21	18
Integration of green Infrastructure*	2	0
Integration of blue infrastructure*	4	0
Support for bio-diversity activity on a site funded through Structural Fund's	0	3
Development of an organisational travel plan and sustainable transport initiatives	46	37
Resource efficiency measures	38	50
Site environmental management plans*	0	0
BREEAM excellent where applicable*	0	0
Attainment of CEQUALL for construction activity*	0	0
Use of Sustainable Urban Drainage Systems (SUDs) where applicable*	0	0
Total	133	133

*NB: Case level indicator not appropriate for ESF operations.

The following tables demonstrate the level of commitment that operations have made to deliver activity contributing towards the general cross cutting themes case level indicators:

ERDF	January 2017	July 2018
Stakeholder engagement good practice activity	10	34
Developing / engaging CCT champions	41	104
Integration of social clauses	17	49
CCT toolkit, base line mechanism, App development	8	7
CCT training package developed.	0	5
CCT staff training programme introduced.	6	19
Activity supporting CCT indicators (in Priorities / Objectives where the indicators aren't present)	8	6
Total	90	224

ESF	January 2017	July 2018
Stakeholder engagement good practice activity	1	10
Developing / engaging CCT champions	62	86
Integration of social clauses	26	25
CCT toolkit, base line mechanism, App development	1	3
CCT training package developed.	3	2
CCT staff training programme introduced.	5	8
Activity supporting CCT indicators (in Priorities / Objectives where the indicators aren't present)	10	19
Total	108	153

Annex 3



Follow

Julie Morgan AM Chair of our Prog
Monitoring Committee in [#Swansea](#)
yesterday seeing how EU funded projects
[@info_specific](#) [@ASTUTEWales](#)
[@METal_Proiect](#) [@SU_engIMPACT](#)

Selection of recent PR and Media Tweets.



WEFO
@wefowales

The IMPACT project @swanseauni
#worldenvironmentday
How sustainable development has been
integrated into the design of this EU funded
research building on the #SwanseaBay
Campus #EUfundsCymru
#crosscuttingthemes
gov.wales/docs/wefo/publ...

Follow



WEFO
@wefowales

Sustainable development and resource efficiency were key elements of the design of the #EU funded @NPTcouncil Port Talbot Transport Hub #worldenvironmentday #EUfundsCymru #PortTalbot #sustainabledevelopment

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Ireland Wales
@IrelandWales

#WorldEnvironmentDay Find out how EU funds are supporting environmental projects such as the **#IrelandWales** **@Cherishproj** who are researching the impact of climate change and pollution in the Welsh and Irish sea irelandwales.eu/projects/cheri...
#BeatPlasticPollution



Swansea University Comp...
@CompFoundry

It was a pleasure to welcome **@JulieMorganLAB** to the **@CompFoundry** Thank you for visiting. **#Sustainability** **#Equality** **#Tacklingpoverty** **#community** **@swanscience** **@SwanseaUni** **@wefowales**



WEFO @wefowales

Julie Morgan AM Chair of our Prog Monitoring Committee in **#Swansea** yesterday seeing how EU funded projects **@info_specific** **@ASTUTEWales** **@METaL_Project** **@SU_engIMPACT** **@CompFoundry** **@COATEDEngD**

ASTUTE 2020
@AstuteWales

This morning we have been demonstrating sustainable development successes of ERDF & ESF operations **@SwanseaUni** with **@JulieMorganLAB** **@METaL_Project** **@COATEDEngD** **@SU_engIMPACT** **@info_specific** **@CompFoundry**



WELSH EUROPEAN FUNDING OFFICE**DRAFT INFORMATION AND PUBLICITY PLAN FOR 2018 / 2019****Introduction**

1. This is the Communications Plan for 2018 and to the first quarter of 2019 for the ERDF and ESF Structural Funds programmes 2014–2020. The plan sets out the main information and publicity priorities and measures for this period, and how they will be delivered.
2. The plan has been prepared by the programmes' Managing Authority, the Welsh European Funding Office (WEFO). It has been informed by and supplements the overarching Communication Plan for 2014–2020, which was agreed by the Wales Programme Monitoring Committee in June 2015.
3. Unless otherwise stated, updates in this paper cover the period between July 2017 and July 2018.

Wales in Transition

4. Wales is a nation in transition and at a time when there is increasing uncertainty about whether the UK will leave the EU with 'a deal' or 'no deal', providing assurances to existing and potential stakeholders and sponsors that we remain committed to delivering the programmes, investing the full allocation of funding, and communicating the benefits and achievements of EU funds in Wales continues to be a key priority of our communications activities. Through our ongoing publicity of EU funds achievements and benefits to our businesses, communities and people we are also making a strong case to the UK Government for replacement funding.
5. Working with our sponsors and stakeholders, we are using a number of communication channels to publicise progress, achievements and impact: press / media notices, social media such as Twitter, YouTube, the e-newsletter, and website measures, which continue to attract a growing following and reach among stakeholders and the general public. For example, since the last annual communications update to the PMC in June 2017, and covering the period July 2017 to July 2018 we have achieved 98% average of positive coverage of EU funds in press / media. In addition, the number of subscribers to our bimonthly e-newsletter has more than doubled, now at 6,120, while the number of Twitter followers has increased from 2,920 to 3,480.
6. In October 2017, Wales (a photo of the A465 Heads of the Valleys) was one of three winners out of 700 entries for the EC's annual ['EU in my Region' 2017](#) photo competition.
7. Working with project sponsors, our communication activity for marking this year's Europe Day (9 May) resulted in positive activity and messages on EU funds.

8. We will be holding our annual information event on 5 December in Cardiff, at which we will announce the winners of our EU Funds Awards 2018 for the categories of Best Mentor (ESF) and, to mark the European Year of Culture, the Best Cultural project (ERDF).

Information and Publicity priorities for 2018 and early 2019

9. The key information and publicity priorities to promote the ERDF and ESF programmes at national and regional levels are as follows:
- continue to promote the delivery and benefits of EU funds in Wales, with a stronger consensus around the importance of EU funds to Wales' prosperity, simplifying messages, and achieving a 'plain English' readability score;
 - ensure delivery project sponsors, partners and stakeholders, including the Regional Engagement Teams, understand and comply with regulatory requirements on publicising the programmes so that EU funds are not put at risk;
 - ensure existing and potential beneficiaries are kept informed about Brexit implications on programmes and projects, e.g. communication around the UK Treasury Guarantee and UK Government technical notices on a 'no-deal' outcome to Brexit negotiations;
 - use the impact of EU funds to positively influence UK decisions on replacement funding for Wales to address long-term challenges, and ensure stakeholders, sponsors, and the general public are kept informed of developments on the future regional economic policy and investment in Wales;
 - highlight the significance of Europe Day (9 May) by working with project sponsors to promote the benefits of EU projects and the programmes;
 - increase the profile of cross-cutting themes and the wider value being generated by projects in these areas, maximising key opportunities such as World Environment Day, 5 June 2018;
 - develop publicity to create awareness and interest in any new funding calls to support the delivery of ESF and ERDF programmes in Wales;
 - organise an annual event (5 December) to celebrate the achievements of the programmes and winners of our annual EU funds competition;
 - create PR opportunities for Welsh Ministers to raise the profile of EU funds and the ongoing impact of EU-funded projects;
 - develop a new approved project database for the programmes 2014–2020;
 - maximise the potential of new digital / social media technologies, where appropriate;
 - continue to integrate opportunities and successes with other EU funding programmes such as the European Territorial and Co-operation and rural development programmes, and those directly managed by the European Commission, such as Horizon 2020, particularly as we believe Wales should continue to benefit from access to them outside of the EU; and
 - evaluate the effectiveness of key publicity activities and content to inform future communications.

Measures

10. How these priorities can be taken forward in 2018/2019 is set out in the main publicity measures in **Annex A**. This includes delivery arrangements and the timetable for implementation.

Major information activity for 2018 / early 2019

11. We have passed the midway point of the 2014-2020 programmes, with around 80% of EU funds committed and approved projects delivering benefits and achieving significant milestones. While publicity around funding announcements will continue, there are increasing opportunities to showcase the real-life impact of these projects on people, communities, businesses, and the resultant impact on helping to improve prosperity and labour market conditions in Wales.
12. Measures to promote project activities will continue to link with activities to promote the achievements of the programmes overall and also the work being undertaken to develop a future regional policy and investment model for Wales.
13. Work is also underway to develop our EU funds web pages to include an approved project 2014–2020 database, providing added user-friendly functionalities such as an interactive map. The work, however, has been delayed due to a Welsh Government wide move to a new content management system. In the meantime, an excel spreadsheet of EU funded projects and business planning proposals is published monthly on our web pages which exceeds EU regulatory requirements.
14. WEFO will continue to work with RETs / 3-SET to help with the effective delivery of the 2014-2020 Communication strategy and annual plans, as they continue to play an important role in helping to promote the programmes and projects at regional and local levels.

Progress so far in 2018

15. The following is a snapshot of communications activities so far:

- Substantial mainstream media, online and social media coverage of EU funding project announcements including:
 - £1.4m ERDF for Swansea University's SMARTAQUA project;
 - £5m ERDF for the Centre of Environmental Biotechnology led by Bangor University;
 - £4.5m ERDF for the development of the Kingsway area, led by City and Council Swansea;
 - £2.3m ERDF for University of South Wales' Smart Energy Storage Solutions Hub
 - £1.3m ESF for Newport Council's Journey2Work;
 - £1.6m ESF for the Higher Education Funding Council Wales' Achieve through Work Experience;

- £5.5m ESF for Chwarae Teg's Agile Nation II project; and
- £5.2m ESF Technocamps 2 and STEM Gogledd.

Details of media / press coverage of these projects and other projects have been included in our monitoring bulletins, which are generally emailed bi-monthly. Over the last year, PR generated by WEFO has achieved 98% positive media coverage.

- The top three most visited EU funds news stories from the Welsh Government online newsroom were:
 - [£33m for health innovation to boost economy and create jobs](#) (983 views; 12 June 2018)
 - [Work to begin on site for new homes and businesses in Caerphilly](#) (779 page views; 28 June 2018)
 - [New £1m EU-funded project to boost prospects of young people in Mid Wales](#) (649 page views; 31 July 2017)
- Created Ministerial PR opportunities to mark project announcements, achievements and milestones; for example, the Minister for Welsh Language and Lifelong Learning joined Astronaut Tim Peake to announce the EU funding package for Technocamps and STEM;
- Publicity created to promote key success and milestones of projects including: ASTUTE, Tourism Attractor Destinations, Financial Services Graduate Programme, Trac 11-24, the Wales Business Fund, Minesto Deep Green, Sêr Cymru, CEMET, Active Inclusion;
- Submission of three Welsh entries for the EU's Regiostars Awards 2018, with two Welsh finalists selected, ASTUTE and Nant Gwerthyrn; winners to be announced at ceremony in Brussels on 9 October hosted by European Commissioner Cretu;
- Cross cutting themes (CCTs) focus especially on social media, linking CCT activity of Welsh projects for such events as Refugee Week, World Environment Day, International Women's Day, World Health Day, Earth Hour and the International Day for the Elimination of Racial Discrimination.

For example, tweets were issued on IMPACT and the Neath Port Talbot Transport Hub for #WorldEnvironmentDay highlighting the successful incorporation of sustainable development and resource efficiency. The IMPACT tweet was the best performing tweet of that month on our @wefowales feed, gaining 6,911 impressions (i.e. number of times people saw a tweet on Twitter) and 82 engagements (interactions with tweet e.g. clicking on a link);

- Seven Welsh cultural heritage projects, including Cardigan Castle and Pontio Arts and Innovation Centre, were submitted and accepted by the EC to use the European Year of Cultural Heritage label;
- Two Welsh ESF projects, STEM Cymru II and METaL, have been entered into the European vocational education and training awards 2018. The awards recognise best practice in this area and winners will be announced by the EC in November to mark European vocational skills week;

- The EU funding call for Research and Innovation proposals was widely publicised via Twitter, the website and newsletter between December 2017 and March 2018. It was the highest performing tweet from the @wefowales account during January 2018, achieving 6,485 impressions and 104 engagements;
- Our fortnightly EU funds newsletter has reached an all time high with over 6,120 subscribers – an increase of over 3,000 subscribers in the last year;
- Some 900 tweets were posted and our Twitter channel @wefowales / @wefocymru has gained over 3,480 followers. Average number of impressions per month (i.e. the number of times people saw a tweet on Twitter) was 67,000. The figure has increased significantly over the year with the figure for July 2018 alone being 103,000 (just over 2,230 impressions per day);
- PR opportunities on the regional funding programmes and projects are also being co-ordinated with other EU funding programmes such as Horizon 2020; here, success stories are being communicated through the regular Horizon 2020 e-newsletter, the Horizon 2020 annual event (8 February 2018) and Twitter;
- Five Welsh projects (Swansea Bay Campus, SEACAMS 2, CUBRIC, Deep Green and Ponty Lido) were selected by the EC to participate in its short video campaign. The videos have been posted on WEFO's Twitter channel;
- We used the opportunity of Europe Day to announce an [extra £22.5m EU funds to boost skills](#), which was the 3rd most popular story during the week 7-11 May across the whole Welsh Government news site. It was also the best performing tweet sent from the Finance Secretary's account during April and May 2018. We also posted on YouTube, Twitter and in our e-newsletter a recorded [Europe Day message from the Finance Secretary](#). There were also over 250 tweets (including 50 from Ireland Wales projects) issued by partners about Europe Day.

WEFO
Communications
09/2018

Main Information and Publicity Measures for 2018 / early 2019

Measure	Additional Information	Lead Responsibility	Timetable for Implementation
Priority 1: Publicising the impact and benefits of the EU funding programmes investing in sustainable growth and jobs, including via the approval, launches and achievements of projects, Europe Day, and integration of the Cross Cutting Themes	Target group – mainly national, regional and local media, delivery and strategic partners, the European Commission and the general public	WEFO Communications	Ongoing actions throughout the year
1.1 Issue to media good news stories on progress of projects and programme milestones for print and online coverage, achieving over 90% positive media coverage.	Specific publicity measures to include: – issue press releases, editorials about project approvals and milestones, and general progress of programmes to newspapers, online news channels, and the Welsh Government website – provide Ministerial quotes containing key strategic messages to press releases developed by project sponsors/partners	WEFO Communications, in liaison with press office, project sponsors, RETs / 3-SET etc	Ongoing actions throughout the year
1.2 Positively influence media reporting of stories involving EU funds and EU funded projects	Specific measures include: – provide comprehensive and timely responses to media queries including background context, key facts, statistics, and Welsh Government quotes	WEFO Communications in liaison with project sponsors, and press office	Ongoing actions throughout the year

Measure	Additional Information	Lead Responsibility	Timetable for Implementation
1.3 Utilise new technology and digital channels as key communications tools, including production of digital footage to publicise key messages, impact of programmes, and project case studies and milestones	For publication on You Tube, Twitter and use at events, including annual event (see 3.1 below). In particular, prepare and disseminate video clips of projects, participants and develop graphics of interesting facts to maximise impact of publicity	WEFO Communications, in liaison with project sponsors, RETs, 3-SET etc.	Ongoing actions throughout the year
1.4 Arrange Ministerial visits to projects across Wales – to mark funding announcements, launches and delivery milestones.	Specific publicity measures to include: – arrange publicity about the impact and benefits of projects (with a focus on human interest case studies), as well as the wider progress of the programmes via issue of press releases, tweets, EU funds web pages, e-newsletter etc. Post live tweets and photos during visits and events to engage further with a wide audience	WEFO Communications, in liaison with WG press office, project sponsors, RETs / 3-SET etc	Ongoing actions throughout the year
1.5 Draft and circulate e-newsletter to more than 6,000 subscribers including stakeholders, project sponsors, and general public.	– Highlighting latest developments and achievements of programmes and projects, upcoming events, and information and guidance on delivery of 2014–2020 programmes, including any funding calls for certain priorities of the programme – Integrate developments with other EU funding programmes, including Horizon 2020 and European Territorial Co-operation programmes	WEFO Communications	Fortnightly
1.6 Proactively seek opportunities to demonstrate the positive impact of EU funds/regional policy in Wales	Prepare case studies / success stories highlighting the achievements of projects and participants using a range of channels, including those of sponsors and other stakeholders to convey key messages widely e.g. Valleys Taskforce, City Regions etc.	WEFO Communications	Ongoing

Measure	Additional Information	Lead Responsibility	Timetable for Implementation
1.7 Publicise Europe Day (9 May) in accordance with Article 7 of European Regulation	<p>Specific publicity measures to include:</p> <ul style="list-style-type: none"> – a Twitter campaign in collaboration with project sponsors and stakeholders to promote positive messages around the impact of EU funds and projects in Wales – Explore digital opportunities to promote Europe Day – fly European flag at WG / WEFO sites – issue special Europe Day EU funds newsletter during week of Europe Day 	WEFO Communications, in liaison with project sponsors and stakeholders, including RETs and 3-SET	9 May
1.8 Participate in EU led campaigns and initiatives such as EU in my Region, EYCH, RegioStars and other EU communication activities to showcase Welsh success in delivery of EU programmes on an EU platform.	<ul style="list-style-type: none"> – keep in close contact with European Commission and UK communication representatives. – Maximise publicity at Wales level of achievements resulting from participation such as publicising Wales' EYCH and RegioStars achievements through press notices, Twitter etc. 	WEFO Communications, in liaison with EC offices in Brussels, Cardiff and London	Ongoing
1.9 Continue to develop promotional items for use at events and other publicity channels	<ul style="list-style-type: none"> – Develop new branding for pop-up stands etc., representing regional and thematic areas – Continue to develop promotional items as appropriate. 	WEFO Communications	Ongoing
2.0 Build on library of photos, case studies and digital footage of projects and beneficiaries for use in publicity etc	Build on library of photos and case studies for use in press releases, publications, advertorials, events, presentations and social media.	WEFO Communications, in liaison with project sponsors and stakeholders	Ongoing actions throughout the year

Measure	Additional Information	Lead Responsibility	Timetable for Implementation
Priority 2: continue to ensure project sponsors, partners and stakeholders, including the Regional Engagement Teams, understand and comply with regulatory requirements on publicising the ERDF and ESF programmes	<p><u>Target group</u> – project sponsors and beneficiaries, RETs / 3-SET.</p> <p>The main action is the Information and Publicity Guidelines (incorporating EU regulatory requirements) for project sponsors (published on the Welsh Government website), holding seminars on the regulatory requirements for WEFO staff, the RETs / 3-SET, and project sponsors establishing appropriate communication channels between WEFO and the RETs / 3-SET.</p>	WEFO, in liaison with the RETs / 3-SET	Ongoing actions throughout the year
2.1 Review and implement best practice on Information and Publicity Guidelines (incorporating EU regulatory requirements) for project sponsors and beneficiaries	<p>– ensure information and publicity measures are fully integrated into project delivery and are monitored by WEFO to ensure compliance;</p> <p>– respond promptly and effectively to communications queries from WEFO staff and sponsors.</p>	WEFO, in liaison with project sponsors and the RETs / 3-SET	Guidance published on WG web pages and undertake ongoing review to cover best practice
2.2 Review opportunities for refresher seminars on information and publicity guidelines and requirements for sponsors, and share best practice	Refresher seminars to cover EU regulatory and Managing Authority contractual requirements, information and publicity priorities, best practice, and forward planning and monitoring at national and regional levels; tailored to meet needs of RETs, 3-SET, WEFO staff and project sponsors.	WEFO	Ongoing actions throughout the year
2.3 Participate in regular project reviews with sponsors, and meet with project communication officers where appropriate	<p>– Ensure project communications activities, best practice and PR opportunities are addressed at project review meetings</p> <p>– Review and provide editorial contributions for RETs regional newsletters, where appropriate</p> <p>– Participate in WEFO meetings with RET teams to provide updates on communications activities and best practice</p>	WEFO Communications in liaison with PMD, RETs, 3-SET, and project sponsors	Ongoing actions throughout the year

Measure	Additional Information	Lead Responsibility	Timetable for Implementation
2.4 Distribute free commemorative plaques and posters for all sponsors that have been approved funding under 2014–2020 programmes (in line with Article 8 of European Regulations)	<ul style="list-style-type: none"> – Free commemorative plaques and posters, displaying respective EU funds logo to be distributed to all project sponsors regardless of grant value. – Design, draft text, and distribute A3 posters to projects for display 	WEFO Communications	Ongoing actions throughout the year
Priority 3: Organise annual event to publicise the achievements of the programmes	<u>Target group</u> – mainly national, regional and local stakeholders and potential sponsors, the European Commission, the media, and the general public.	WEFO Communications Team	Winter
3.1 Arrange annual event for the programmes involving key stakeholders and beneficiaries, including EU Funds Awards to recognise project achievements	<ul style="list-style-type: none"> – Event scheduled for 5 December, Cardiff – promote digital footage of achievements and issue Ministerial press notice etc on progress of programmes and project milestone – announce winners of WEFO's annual EU Funds awards – Evaluate effectiveness of event to inform content of future events 	WEFO Communications Team	Winter
Priority 4: Maintenance and update of bilingual EU funds section of the Welsh Government website	<u>Target group</u> – mainly national, regional and local stakeholders and potential sponsors, the European Commission, other EU managing authorities, the media and the general public.	WEFO Communications Team	Ongoing actions throughout the year
4.1. Ensure website section is easy to navigate and is customer-friendly, and content is up-to-date	Review content regularly to meet core business functions, including access to WEFO Online, through online surveys, feedback etc	WEFO Communications Team	Ongoing actions throughout the year

Measure	Additional Information	Lead Responsibility	Timetable for Implementation
4.2. Develop search engine database for approved projects (in line with Article 7 of European Regulations)	New database will have basic details of approved projects i.e. beneficiary name, project name, amount of ERDF / ESF grant allocation, final payment allocation etc, in compliance with EC regulations	WEFO Communications Team in liaison with WG Central Web Team	Work will start in November
Priority 5: Evaluate the effectiveness of key publicity activities and content to inform future communications	Target group – mainly for internal purposes, but sharing best practice and lessons learned with national, regional and local stakeholders, and the European Commission.	WEFO Communications	Ongoing
5.1 Campaign evaluation to be carried out using UK wide recognised evaluation model	Ensure OASIS evaluation model is undertaken to review and evaluate activities such as annual event, EU Funds awards and Europe Day social media campaign. This approach has confirmed that newsletter articles on the EU Funds awards were amongst the most popular stories for the mainstream programmes last year as was the Ministerial skills funding announcement made at the annual event.	WEFO Communications	Ongoing OASIS model will be used to evaluate the Annual event in December 2018
5.2 Ongoing evaluation of social media, web and press to review and adapt effectiveness of content	Monthly evaluation reports created and shared and template adapted to keep up with changing of channel priorities	WEFO Communications	Monthly

PAPER FOR INFORMATION

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

**2017 ANNUAL IMPLEMENTATION REPORTS (AIRS): PMC MEMBERS'
COMMENTS AND THE MANAGING AUTHORITY'S RESPONSES**

Issue

This paper informs the PMC of the changes made to the five European Structural and Investment Funds 2017 Annual Implementation Reports (AIRs) by the Managing Authority following the comments received from the PMC.

Recommendation

The PMC is asked to note the information provided at Annex A.

Background

In accordance with Article 14 of Regulation (EU) 1299/2013 and Article 50 of Regulation (EU) 1303/2013, the Managing Authority is required to submit an Annual Implementation Report for the period 01 January to 31 December of the previous reporting year. The report must be submitted to the European Commission by the regulatory deadline, following the agreement of the PMC.

The draft AIR was circulated to the PMC on 20 April 2018 and was presented to Members at the meeting on 04 May 2018, where Members were invited to make any further comments and approve the AIRs by 18 May 2018. All comments received and WEFO's responses to those comments can be found at Annex A. The approved AIRs were submitted to the European Commission by the regulatory deadline.

Annex A: Table of PMC comments received on the 2017 Annual Implementation Reports and WEFO's responses

No.	Annual Implementation Report						Comment	Response
	Section	WWV ERDF	EW ERDF	WWV ESF	EW ESF	RDP		
1	2	X	X				Development Bank of Wales (rather than Development Bank for Wales) – mentioned in both main reports (they references are correct in the summaries)	We have amended both main reports, as suggested.
2	2		X				Rather than "...raised £61m in private investment" I'd suggest "leveraged £61m in private investment" (East Wales)	We have amended the East Wales ERDF main report, as suggested.
3	2	X					Rather than "...raised £31m in private investment" I'd suggest "leveraged £31m in private investment" (West Wales & Valleys)	We have amended the West Wales and the Valleys ERDF main report, as suggested.
4	8	X	X				In the Financial Instrument tables, there are references to "Finance Wales Investments Ltd" as the body implementing the Financial Instrument. With the transition to the Development Bank of Wales (in October 2017), the legal entity which is contracted to deliver the Wales Business Fund is "DBW FM Ltd" (both main reports)	We have amended both main reports, as suggested.
5	1b					X	Revised EC AIR template was not available when preparing the draft report for submission to the PMC	Amended format of data tables in line with revised template
6	1c					X	What are the targets for the one to one mentoring and the Agri-Academy? Are any outcomes being measured here?	Information on Agri-Academy targets and outcomes included in the main report.

Annex A: Table of PMC comments received on the 2017 Annual Implementation Reports and WEFO's responses

No.	Annual Implementation Report						Comment	Response
	Section	WWV ERDF	EW ERDF	WWV ESF	EW ESF	RDP		
7	1e					X	Comments raised on risk of underachieving milestones in the Performance Framework.	Additional paragraph on Performance Framework included. Table showing progress as of May 2018 annexed.
8	1c					X	The SPG has been grossly oversubscribed at each window - has there been any consideration to this?	We have amended report to highlight actions taken.
9	1c					X	Venture - There seems to be a low number of potential matches in the Venture programme, when 256 active members have been registered.	An explanation has been included in main report on initial low numbers.
10						X	AIR Summary - We would welcome information on the Pillar Transfer Funds spend to date, in line with the Gareth Williams Review to be contained within this summary.	We have amended the summary as suggested.