

WALES PROGRAMME MONITORING COMMITTEE

EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020

Date: 15 September 2017**Time:** 9.30am**Venue:** Welsh Government Offices, Merthyr Tydfil**AGENDA**

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|--|---------------|-------------|
| 1. Welcome and apologies | 09:30 - 09:35 | |
| 2. Minutes of June meeting, actions and other matters arising | 09:35 – 09:45 | WPMC(17)M14 |
| 3. Update on ESI Funds Progress, including portfolio development | 09:45 – 10:00 | WPMC(17)102 |

To include:

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| (a) ERDF Programmes | 10:00 – 10:15 | WPMC(17)103 |
| (b) ESF Programmes | 10:15 – 10:30 | WPMC(17)104 |
| (c) Welsh Government Rural Development Programmes | 10:30 – 10:45 | WPMC(17)105 |
| (d) Structural Funds: Approved Operations List
(Paper To Note) | | WPMC(17)106 |
| (e) Performance Framework (Paper To Note) | | WPMC(17)107 |
| 4. ERDF and ESF Programme Modifications | 10:45 – 11:00 | |

****Break 11:00 – 11:20****

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| 5. RDP Information and Publicity Strategy | 11:20 – 11:40 | WPMC(17)108 |
| <u>To include:</u> | | |
| (a) WRN workplan 2017 | | WPMC(17)109 |
| 6. Presentation: Rural Wales Network | 11:40 – 12:10 | |
| 7. Future of Regional Policy Update | 12:10 – 12:30 | |
| 8. AOB | 12:30 – 13:00 | |
| (a) RDP Selection Criteria | | WPMC(17)110 |
| (b) RDP Selection Criteria - Annex 1 | | WPMC(17)111 |
| (c) 2016 Annual Implementation Reports (AIRs): PMC
Members' Comments And The Managing Authority's
Responses (Paper To Note) | | WPMC(17)112 |

****Lunch 13:00 – 13:45****

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

**Friday 16 June 2017
Welsh Government, Merthyr Tydfil**

Meeting Notes

ITEM 1: Welcome, introductions and apologies

1. The Chair welcomed members to the meeting of the Wales Programme Monitoring Committee (PMC). Attendees and apologies are listed at **Annex A**. The Chair commented that this was a momentous meeting, the last for Damien O'Brien WEFO's current CEO prior to his retirement and the first for his successor Sioned Evans, who formally takes on the role of WEFO CEO from today.
2. The Chair apologised that due to the election period restrictions and a subsequent need to change the date of the PMC meeting that papers had only been circulated to members one week in advance instead of the usual two.

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

3. Members were advised that Para 26 of the minutes had been amended. The approval date for the Rural Development Programme had been amended from 28 May 2015 to 26 May 2015. Taking this amendment into account the minutes were agreed as a true and accurate record of the meeting.
4. Progress on action points arising from the previous meeting is listed at **Annex B**.

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

Overview

5. Damien O'Brien provided an overview of programme progress since the 24 February 2017 meeting:
 - Overall 65% of Structural Funds (£1.3 billion) resources have been committed. WEFO's aim is to commit 80% of the programmes by the end of 2017 and 100% by the end of 2018, to ensure all funding would come within the scope of the UK Government Treasury guarantee
 - 151 operations worth £2.5billion have been approved and 57 operations are in the planning stage
 - All Structural Fund programmes have already met N+3 targets
 - There are a number of ongoing calls for projects which will generate further approvals
 - Overall 82% of the Rural Development Programme has been committed

- 19 RDP schemes have been launched (Measure level)
 - The Wales Rural Network will have a presence at the Royal Welsh Show 24-27 July 2017 and will showcase projects supported to date
 - The Wales Rural Network will be jointly involved with the three other UK networks in organising the UK National Rural Network Joint Conference in Belfast to examine and discuss rural life.
 - Wales Rural Network Steering Group will take place during Sept 2017
6. Damien advised that the First Minister of Wales, Carwyn Jones had launched the Welsh Government's policy paper on 'Brexit and Devolution' Securing Wales' Future. The paper presents a blueprint for a major constitutional renewal of the UK, which can meet the challenges 'Brexit' poses for the devolved nations and the future governance of the country as a whole. A copy of the policy paper will be circulated to members. Also, a copy of the post-election letter from the First Minister to the Prime Minister highlighting Welsh Government concerns had been tabled at the meeting and Damien asked members to reinforce these messages through their respective sectors.

Action: Secretariat to circulate a copy of the 'Brexit and Devolution' policy paper to members.

7. Key Priorities for the period ahead include:

- Maximising commitment and delivery levels across all programmes
- Launching a consultation on the future of regional economic development in Wales

ERDF Programmes

8. Sue Price, Head of ERDF programmes, WEFO, advised that there is still very strong interest in the ERDF programmes and thanked members for their continued support. What has been achieved to date is due to a partnership approach, WEFO as funders are reliant on partners bringing forward proposals and Sue emphasised this needed to continue for the next 12-18 months.
9. Both ERDF programmes continue to make good progress, 74 operations approved, commitment of over £700 million in grant representing 60% of the programmes. Members were reminded that the emphasis now for these operations is to achieve spend commitments by delivering what has been agreed and to submit claims in a timely manner.
10. Sue updated members on activity within each priority, highlighting the following:
- Priority 1: Research and Innovation - with strategic and/ or backbone operations in place the focus has been on the call for innovative proposals that can successfully translate research and innovation into new and commercial products, processes and services. The call was very

successful, 17 new proposals have been invited into the formal business planning stage. These proposals have the potential to address a number of smart specialisation areas, and to commit over £50m across the two programmes. It is anticipated that this priority will fully commit all available funds. A further call may be made once commitment levels in other priorities are known.

- Priority 2: SME Competitiveness – the Priority is settled with high commitment levels across both programmes. Therefore, the focus is very much now on delivery. WEFO hosted a symposium of the Business Wales family for operation leads, delivery agents, the WLGA and the Regional Engagement Teams (RET) in September 2016 and a second event is planned for 2017. Sue thanked members for helping to increase commitment levels to £216m.
- Priority 3: Renewable Energy and Energy Efficiency – WEFO opened a call for small scale community renewable energy schemes, which will close on 30 June. A new style approach to engagement with the communities to help encourage bids was delivered through three ‘drop in’ sessions. These sessions provided encouraging results with 30 interested partners, mainly from the West Wales & the Valleys programme area. Once the call has closed WEFO will consider the level of interest across both programmes and review whether adjustments need to be included via a programme modification. It was noted that there has been significant interest in marine energy schemes and further resources may need to be allocated to this Priority to take these schemes forward.
- Priority 4: Connectivity and Urban Development – it is envisaged that this priority will be over 80% committed by the end of 2017 when including resources for the Metro Phase 2 operation. However, some operations being developed have compliance issues to resolve before approval, WEFO will aim to take forward as many operations as possible. WEFO is working with the Regional Engagement Teams (RET) to prioritise further potential schemes, but due to short timescales available these operations will need to come forward as soon as possible.

11. It was noted that with operations in the business planning stage accounting for £49m grant and those in the pre planning stage accounting for a further £11m an increase in commitment level from 62% to 90% for the East Wales programme is possible. This is caveated with the same issues as the West Wales & the Valley’s programme in that resolving any compliance issues that arise and maintaining the focus on delivery will be important factors.

12. Sue informed members that the Priority 3 performance reserve target has already been met largely through delivery of the Minesto operation. Due to the longer term nature of operations under Priority 3 and Priority 4 the associated outputs will not materialise until later in the delivery of the Programme.

ESF Programmes

13. Jane McMillan, Head of ESF Programmes, WEFO, reported that the ESF programmes continue to make good progress with an overall commitment level of 73% across both programmes, 77 operations approved giving an overall commitment of £628m, an additional £15m ESF since the last PMC meeting.
14. The additional commitment reflects the approval of 3 new operations, but also planned extensions to existing operations under each priority area. WEFO intends to commit the remaining £232m ESF by the end of 2018 through a mixture of new and pipeline operations, extending operations to deliver more over longer timeframes where they are performing well against their targets, and targeted calls for areas of the programme where interest has not developed as expected. Delivering this level of progress is not without challenge and members were reminded of the need to deliver their committed operations in a timely manner and where possible bring forward any new proposals as soon as possible.
15. Jane reported that most priority and specific objective areas have a balanced portfolio of operations designed to deliver across the range of target participant client groups and target outcomes. New operations still under development have the potential to commit a further £22m and offer more tailored niche activity to fill gaps in either the range of provision on offer or the targeted client group.
16. In addition to managing future commitments the main focus for ESF is now on delivery. The programmes have already provided good results such as engaging with over 85,000 participants to date (20% of the overall target), supporting over 3,300 people into employment and just over 35,000 to gain qualifications/ higher qualifications.
17. Jane also highlighted the following:
- Priority 1 - Tackling Poverty through Sustainable Employment Priority - WEFO has opened a call for proposals under this priority specifically focussing on employability in the East Wales programme area and the unemployed in the West Wales & the Valleys programme area where commitment levels remain below expected levels. The call will close on 30 June. There has been some interest but the lack of match funding has had an impact on proposals coming forward. It is yet to be seen whether

any developable operations will be received but the result of this call will help WEFO decide whether any programme modifications to remove funding from this priority is required.

- Priority 2 – Skills for Growth – good progress being made under this priority with a further £1.1m committed since the last meeting taking commitment level to 86% (WW&V) and 57% (EW). A total of 57,000 participants have already been enrolled by approved operations. Targets achieved for participants gaining qualifications reflect the length of the courses (MA/ PhD) together with the timing of the academic year. Further outcomes are expected from July/August onwards.
- Priority 3 – Youth Employment and Attainment – the new style interventions under this priority resulted in a slow start but have now achieved 73% commitment on both programmes, with a further £6.5m approved since the last meeting. A number of pipeline operations are also close to approval. Although this priority is a challenge, addressing participants who are NEET (not in employment, education or training) or at risk of becoming NEET, 19,000 participants have been supported to date.

18. Damien added that part of the challenge with the ESF programme was achieving full commitment when targeting the hardest to reach in a tight labour market where scope is diminished, and costs more expensive. He asked members to assist WEFO in creating innovative ways of helping this target audience.

19. The Chair congratulated WEFO on the progress made on the programmes despite the challenges discussed today.

20. One member commented that he was very supportive of being flexible on the focus of the ESF programmes for the reasons discussed and this also reflected the changing nature of how poverty is defined in that it now also related to families who are not unemployed. Another member suggested that perhaps when targeting RD&I skills the scope could be widened from just the grand challenge areas to capture other skills also.

Welsh Government Rural Communities - Rural Development Programmes

21. Terri Thomas, Head of Rural Development Division, highlighted the following:

- The RDP continues to make good progress. The programmes are forecast to reach a 102% commitment level but due to anticipated underspend this figure will be reduced. Modifications on the programme were resubmitted this morning following discussions with DG AGRI and if the modifications are agreed the commitment figure will be reduced to between 98 % -100%.

- All schemes are open and the agriculture/ rural programmes are operating well despite current economic circumstances.
- Including approvals and expressions of interest (EOI) rounds a total of £787m has been committed of which £521m is European Funding. Post modifications these figures will be revised to £774m and £520m respectively.
- Programme spend is currently at £84m with £61m EAFRD. These figures are likely to increase as applications under consideration are approved.
- For the socio-economic schemes within the programme, a total of 454 successful EOIs and 118 direct applications have been invited to submit a full application. A total of 157 EOIs and direct applications have been approved with an overall allocation including LEADER and direct applications of £129m.
- It was noted that the 118 figure for direct applications in the paper and referred to in the above paragraph is incorrect and the data management system is to be investigated to arrive at the correct figure.

22. Members welcomed the strong commitment levels across the programme, however commented that it would be helpful for the reports to include an explanation as to why some measures were working well and others not so well, particularly where there had been an increase in commitments. Also, for achievement of indicators PMC needed to see percentage achieved figures, and milestone indicator progress. Whilst accepting members' comments and agreeing that future reports will include the additional information, Terri explained why some of the data had changed, e.g. exchange rate changes, slow start to the programme, programme modifications.

23. Another member commented that for the national RDP schemes stakeholders needed to be clear on what funding is available. It was noted that there had been a lot of work done to map regional and national schemes which demonstrated this was a complex landscape.

24. Marek Beran, European Commission, DG AGRI, suggested that the description of selection process in chapter 2 could be re-drafted to make the meaning of the text clearer. Moreover, DG AGRI invited the MA to present, in the future, the figures for both the commitments (and respective %) and expenditures (and respective %) bringing it in line with the Annual Implementation Report. He also requested that the issue with a RDP commitment value of just over 100% (chapter 4) should be clarified.

ITEM 4: Cross Cutting Themes: Equality and Gender Mainstreaming Annual Report

25. Chriss O'Connell, Head of Cross Cutting Themes presented the second annual review of progress in respect of the implementation of the Equal Opportunities and Gender Mainstreaming cross cutting themes in the ERDF and ESF 2014-2020 programmes. Chris reported that it had been a busy period since the last update in September 2016 with the team assessing beneficiaries' business plans and providing support to operations in the mobilisation phase.
26. Chris also informed members of two visits recently undertaken by the PMC Chair on the equal opportunities theme to see how the Cross Cutting Themes (CCT) activity was being delivered on the ground. One operation visited was the SOVA ACE (Achieving Change through Employment) operation and the other the Active Inclusion Wales operation led by Wales Council for Voluntary Action (WCVA). The Chair had the opportunity to discuss with individuals the barriers they were facing and how the support provided by the operations had helped them to overcome these barriers. A video on both visits was played for members.
27. Chriss highlighted that data on the formal indicators for Equal Opportunities and the Welsh Language was limited and progress to date slower than expected. A member asked whether there was any reason for the slower than expected progress. Chriss responded that there was no data available on this as yet. It was being followed up with operations and in the past there had been problems with how the information had been recorded. However, an increased focus on this topic is being discussed with beneficiaries during the operations review meetings and the next annual report should show better monitoring of progress.
28. Chriss also explained that the formal targets have their limitations when it comes to validating the wide range of related activity which is being undertaken on the CCTs. To address this WEFO had agreed a mechanism with members at the June 2015 PMC meeting for capturing the broader range of activity and provide for good practice to be identified and reported. Annex 2 to the paper WPMC (17)95 gives a flavour of this activity.
29. Chriss reported that the CCT team has been continuing to explore ways to publicise how operations were integrating the CCTs into their operation design and delivery. They are currently working with WEFO communications team to help raise the profile of the CCTs and demonstrate the added value they can bring to operations.
30. The Chair thanked Chriss for arranging her visits and members commented that the individual stories contained in the video had helped to bring the messages home more clearly. One member added that from his experience a cultural

change was needed to ensure CCT themes were given the right level of importance and were monitored more closely. Members also felt that any good practice should be shared to encourage other operations. Members highlighted related targets that were being set for their organisations and wondered whether this was being captured. Chriss confirmed that this was the type of information being collected now by the new mechanism discussed above.

ITEM 5: ESI Programme Compliance Report

31. Ian Owen, Deputy Director of Finance, WEFO introduced the Structural Funds elements of the report which covered various compliance inspections and audit functions on the closure of the 2007-2013 programmes and the 2014-2020 programmes from the beginning of the programme to February 2017. The detail is outlined in paper WPMC (17)96.
32. Ian concluded by reporting that WEFO had been audited by the EC auditors recently and the outcome was a Category 1 result which is a recognition of good practice. Members congratulated WEFO on this achievement.
33. Members commented that it would have been more beneficial to have had WEFO's procurement expert in situ earlier in the programme so that advice on procurement could have been made available to beneficiaries. Also, that the lack of consistency of advice being given by different sections of WEFO was a concern. Ian acknowledged these concerns and referred to actions taken to address them including the meetings he had had with sector representatives to discuss what issues were delaying beneficiaries claims and to the beneficiary workshops where he believed the type of issues raised today had been discussed and resolved. Further workshops were planned towards the end of the year and Ian welcomed feedback from beneficiaries on any difficulties still being experienced by them particularly where impacting on submitting timely claims.
34. Terri Thomas reported on the control programme for the RDP and explained how that differed from the controls on the ERDF and ESF programmes.
35. A member requested that where claims are in dispute under the RDP can these be dealt with as quickly as possible as the impact on businesses is significant given that they cannot be paid any subsequent claims until the one in dispute has been resolved. Terri acknowledged the importance of this and said the Rural Payments Agency is looking into it.
36. Marek Beran congratulated officials on achieving such low error rates for the WA RDP and expressed his desire to see this continue.

Short Film

37. A short film involving a community initiative project based in North Wales (Ynni Ogwen) funded by the RDP was played to members over the break. Members' feedback was the film was inspiring.

ITEM 6: Annual Implementation Reports 2016

38. Tom Smithson presented the paper highlighting that members are required to consider and approve the Welsh Government European Structural and Investment Funds (ESI) 2014-2020 Annual Implementation Reports, prior to submission to the European Commission by the regulatory 30th June deadline. Tom added that the reports had synthesised evaluation reports completed throughout the year and had been enhanced this year to add a narrative of the analysis results where possible. The reports should not hold any surprises as PMC has been routinely provided with progress reports on the programmes at each of their meetings.
39. It was agreed that as members had only had papers for the meeting for one week that they would be allowed until 5pm on 23 June 2017 to provide written comments/ approval, by email to the PMC secretariat mailbox but that a decision in principle subject to the further comments would be signalled at the meeting. It was also agreed that a nil response from members by the 23 June deadline would be taken as approval. Members would be provided with the final versions of the reports including any comments received in due course.
40. Members unanimously voted to approve in principle the 2014-2020 Annual Implementation Reports 2016 for the:
- ERDF West Wales & the Valleys Programme
 - ERDF East Wales Programme
 - ESF West Wales & the Valleys Programme
 - ESF East Wales Programme
 - Welsh Government Rural Communities – Rural Development Programme.

Action: Tom Smithson to arrange for a copy of the final Annual Implementation Reports including any comments received from members for the above 5 Programmes to be sent to members.

41. Guus Muijzers, European Commission, UK Desk Officer responsible for the 2014-2020 Programmes, DG Regio, thanked officials for completing the draft Annual Implementation Report reports but asked members whether they thought the general public would be able to understand the citizen summary. He emphasised that the format of citizen summary was for the member state to design as there was no formal template on how this should be set out. Damien agreed to reconsider the summary in light of comments. Guus also added that

where a major project was not going to be taken forward the reports should record this.

42. Marek stated that in line with the PMC's Terms of Reference members should receive papers 10 days in advance of the meeting, therefore they would be entitled to have further time to consider them. He said there was also the option to agree them by written procedure if necessary. He also echoed the points Guus had made about the citizen's summary.
43. Marek asked for clarity on whether the evaluations included in the report would have any follow up action on the conclusions and whether members would have a report on them at that stage. He noted all evaluation fieldwork had been completed but perhaps this follow up could be included in an evaluation plan for the future.

ITEM 7: Planning Modifications for the Structural Funds Programmes

44. Tom Smithson presented the paper outlining potential modifications to the Structural Fund programmes. This was an opportunity for members to note the contents of the paper and offer any early views on developing proposals. Members would have the opportunity to agree actual modifications at the September 2017 PMC meeting when the outcome of the current calls for proposals had been closed and a clearer picture emerges on commitments under each of the priorities. The Chair invited members' comments.
45. Members were of the view that anything that achieved a greater level of quality in economic development was a good thing and so supported the focus on quality. Members recognised that the nature of employment and skills was changing and employment no longer meant economically sustainable employment. Increasingly this area needs to be addressed as it could result in a new area of poverty. There was support for being more flexible and moving the balance to productivity.
46. Another member asked whether any lessons learned from the work currently being done on the Department for Work and Pensions Work Programme could feed into the debate. Jane confirmed that this is a fast moving policy area and the Work and Health Programme will impact on projects more directly. This was being considered by WEFO. Another member suggested reflecting on the big policy changes could be discussed at the next meeting in order to provide for a wider context for ESF.
47. Tom concluded by saying WEFO intended to present formal proposals for programme modification to the PMC in September for agreement prior to submitting to the European Commission.

ITEM 8: Rural Development Programme Selection Criteria

48. Terri Thomas presented the two papers which referred to a third paper WPMC (15)56 Selection Criteria – European Agricultural Fund for Rural Development (EAFRD) 2014-2020 which was presented to the PMC at its meeting on 11 September 2015. Annex 1 of that paper set out the selection criteria to be used

by schemes under the Welsh Government Rural Communities – Rural Development Programme 2014-2020. The criteria had been amended for some of the schemes at the February, September and December 2016 PMC meetings. The current two papers requested a change to the selection criteria for the Sustainable Management Scheme and Terri requested members opinions regarding this change.

49. One member asked if the new selection criteria would apply to projects currently being considered/ in the pipeline. Another member noted that the National Resources policy referred to in the paper had not yet been published. Terri confirmed that the new selection criteria will apply for the next round and clarified that due to the pre election restrictions publication of the National Resources policy had been delayed.

Item 9: Annual European Structural Funds Communications Plan

50. Alison Sandford was invited to present the draft information and publicity plan for 2017 for members to note. The plan set out the main information and publicity priorities and measures for 2017 and how they would be delivered. A DVD of WEFO's communication activity since the last meeting was played for members. Activity had been restricted over the last five months due to the two pre election periods meaning WEFO was restricted on what it could promote. However, despite 'BREXIT' WEFO was completely committed to promoting progress on the programmes. WEFO is to hold an information event in the autumn to celebrate 60 years of the European Social Fund.
51. The Chair added that this was a crucial strategy and that WEFO needed to take every opportunity to promote its achievements during the uncertain period ahead. In discussion it was recommended that there should be two priorities for publicising funding going forward, promoting the opportunities that are still available for funding and more emphasis on the human stories to show how the Structural Funds are improving peoples' lives.
52. Guus complimented WEFO on its website saying the standard was above European Commission requirements. He welcomed the intention to develop a searchable database as searching through 80 or more pages would not be a welcome task. He added many Member States had already developed searchable databases and suggested WEFO could learn from their experiences.
53. As a linked point, Marek informed that in line with EU regulations the Information and Publicity Strategy for the RDP should also be presented to the PMC members at least once a year and invited the MA to include as a point for one of its future PMCs still this year.

Item 10: Presentation – Mid Wales Region

54. Mike Shaw and Claire Miles were invited to deliver a presentation on the work of their Regional Engagement Team (RET) and Regional Economic Partnership in the Mid Wales Region. RETs are a new function for the 2014-2020 Programmes,

to ensure regional alignment and that Structural Funds integrates with and complements other funding sources. The following points were highlighted:

- The importance of a partnership approach to considering what funding proposals were coming forward was emphasised and cross sector working groups have been established to consider proposals. As a result the economic partnership in the region was expanding resulting in a more strategic overview of regional activity and better regional proofing.
- Aim is to focus on growth and prosperity and raise the region's economic activity and achieve better quality jobs. A number of current investments were discussed.
- By 2019 the RET's aim is to have built on the regions strengths and significant asset base and to be recognised as Wales' Rural Powerhouse.

55. In discussion members asked whether there had been any problems implementing superfast broadband in the region. Mike responded there were two aspects; coverage and usage. Coverage showed a diverse picture and it was surprising how much of the region had already been covered. However, some farming businesses were still not connected and this sector in particular would be prioritised in the regions strategic response to Welsh Government as it consulted on its future plans. On usage there was a debate needed with local business in order to improve their prosperity and growth. There is a need to combine business premises and proactive business support. Some industrial estates had no coverage and efforts to provide coverage have been reactive, relying on businesses to take the initiative to become engaged.

56. Other comments referred to the emphasis the Cabinet Secretary for Economy and Infrastructure has placed on regions collaborating with each other and prioritising cross boarder working. Members suggested there may be lessons for the Mid Wales region in this type of approach.

Item 11: Future of Regional Policy Update

57. Tom Smithson provided an update for members on progress on developing future regional policy. The following points were drawn to members attention:

- The Welsh Government's policy paper 'Brexit and Devolution' Securing Wales' Future was published on 12 June. This is the first of a series of papers to follow on from Securing Wales' Future published by the Welsh Government earlier this year. Further papers are expected before the summer dealing with migration and the future of regional economic development.
- The regional economic development paper will reflect discussions held with the European Advisory Group and the PMC to date and the new ways of working set out in Taking Wales Forward, Local Government reform, and the Cabinet Secretary for Economy and Infrastructure approach to regionalising economic development.

- The National Assembly for Wales External Affairs and Additional Legislation Committee is also preparing its draft report following its inquiry into the future of regional economic development. A number of PMC members have provided evidence for this inquiry.
- Representatives from the Welsh Government and WEFO also recently undertook a study visit to the OECD to have early discussions about development of a future regional economic development approach outside of the EU. OECD is keen to work with us and we are exploring opportunities to take forward some work together. They also shared best practice and case studies based on their research. Current focusses include addressing low productivity, better integrating policy areas in places (including rural), and the need for effective governance for multi-level partnerships to work. The main message was a recognition that different things are needed in different places, but with clear prerequisites for effective policy along with key areas where impact on areas like productivity can have greater effects (e.g. for lagging areas it is skills, infrastructure, and diffusion of innovation).
- The EC is holding a Cohesion Forum during week commencing 19 June, WEFO and the WLGA will be attending as part of the UK delegation. There are still lessons that can be learned from the EU system, especially as we will remain active members of Europe outside of the EU. We have lots of best practice and lessons to share with other partners too.

Item 12: Any Other Business

58. A member commented that the meeting had presented very well the positive picture on committing the programmes but asked for further detail in relation to progress on spend. Peter Ryland explained WEFO had undertaken a lot of work to establish why there is a delay in beneficiaries submitting claims/ achieving spend profiles. The following issues have been identified:

- The new regime on outputs and what was needed to evidence achievement for audit purposes have presented challenges for beneficiaries, although this now seems to have been resolved.
- The series of beneficiaries workshops hosted by WEFO has also flushed out operations concerns and it was evident that there have also been internal organisational reasons for beneficiaries delaying some claims.

59. Peter thanked members for raising this and again emphasised that members should actively promote the message that claims need to be received promptly as it was imperative that operations now delivered and achieved spend commitments. One member complimented the management and verifications team for the support they had provided in resolving issues.

60. The Chair, on behalf of the PMC, extended thanks to Damien for his extensive contribution over the years and for his huge support and personal integrity which has been outstanding. Damien responded that over the 12 years he had been in WEFO, 10 of which as CEO, he'd had the pleasure of working with many skilful and talented Chairs, members and staff. He added that Wales has a strong

partnership working record and the PMC was testament to that. He thanked EC colleagues recalling his time spent on secondment to the EC, which allowed him to be mindful of the need to get the balance right. He was now looking forward to his retirement.

The next PMC meeting will take place on Friday 15 September 2017 at the WG Merthyr office.

PMC Secretariat
June 2017

Wales PMC European Structural and Investment Funds 2014 -2020**16 June 2017****Welsh Government Office, Merthyr Tydfil****Chair – Julie Morgan (AM)*****Members nominated on a representative basis, from partners and statutory bodies:***

Phil Fiander	Wales Council for Voluntary Action (WCVA)
Lowri Gwilym	Local Government (WLGA)
Rhian Jardine	Environmental Sustainability (Natural Resources Wales)
Rachel Garside-Jones	Welsh Government (Economy, Skills and Natural Resources)
Rachel Lewis-Davies	National Farmers Union Cymru
Rudi Plaut	Wales Social Partners Unit (Commerce Cymru)
Derek Walker	Wales Co-operative
Tom Whyatt	Wales Social Partners Unit (Commerce Cymru)
Rebecca Williams	Rural Economy (County, Land and Business Association)

Members selected via the Public appointments process:

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

Advisors:

Guus Muijzers	European Commission, UK Desk Officer responsible for the 2014-2020 Programmes, DG Regio
Marek Beran	European Commission, DG AGRI

Programme Managing Authorities:

Sioned Evans	Incoming Chief Executive, WEFO (ERDF, ESF)
Jane McMillan	Head of ESF Programmes
Damien O'Brien	Outgoing Chief Executive, WEFO (ERDF, ESF)
Chriss O'Connell	Head of Cross Cutting Themes, WEFO
Ian Owen	Deputy Director of Finance WEFO
Sue Price	Head of ERDF Programmes
Peter Ryland	WEFO's Chief Operating Officer (ERDF, ESF)
Terri Thomas	Head of Rural Development Division
Alison Sandford	Head of Corporate Business & Communication WEFO
Tom Smithson	Head of Strategy WEFO

Rhiannon Clancy	Secretariat
Angela Griffin	Secretariat
Sioned Phillips	Secretariat

Alternates:

Barbara Burchell	Local Government (WLGA)	For Cllr Ronnie Hughes
Bethan Owen	Higher Education Funding Council for Wales	For David Blaney
Dr Gary Reid	Higher Education Wales	For Professor David Shepherd
Professor Steve Wilks	Swansea University	For Professor Richard Davies

Guest Presenters:

Claire Miles	Mid Wales Regional Engagement Team
Mike Shaw	Mid Wales Regional Engagement Team

Apologies:

Dr David Blaney	Higher Education Funding Council for Wales
Paul Byard	Business and Enterprise (Commerce Cymru)
Julie Cook	Wales TUC
Peter Crews	Trade Union (Wales TUC)
Iestyn Davies	Further Education (Colleges Wales)
Professor Richard Davies	Public appointee
Joanna Gawrylczyk-Malesa	European Commission, Desk Officer for ESF Programmes, DG Employ.
Rob Halford	Head of Planning and Strategy, WEFO
Duncan Hamer	Welsh Government (Economy, Skills and Natural Resources)
Councillor Ronnie Hughes	Local Government (WLGA)
Jocelyn Llewellyn	JobCentre Plus
Lowri Owain	LEADER
Professor David Shepherd	Higher Education Wales
Andrew Slade	Director, Agriculture, Food & Marine
Arfon Williams	Environmental NGOs (Wales Environment Link /RSPB)

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

This paper provides an update on the implementation of the European Structural and Investment Funds Programmes: the Rural Development Programme 2014-2020, the West Wales and the Valleys ERDF and ESF Programmes and the East Wales ERDF and ESF Programmes. Fund-specific reports can be found at Annexes 1 to 3. All data is at 31/07/2017. The planning rates used in the report are £1:€1.17 for the Structural Funds Programmes and £1:€1.25 for the Rural Development Programme 2014-2020. References to the previous PMC meeting given throughout refer to the June 2017 PMC meeting.

Overall position

- 159 operations worth £2,567m (including EU funding of £1,363m), are currently being supported by the Structural Funds and will assist over 40,900 businesses and provide training/employment support for over 402,600 people.
- The RDP 2014-2020 currently supports a total of 6,877 agri-environment contracts, covering 676,469ha, along with 593 new organic contracts covering 72,562ha. There has been 462ha of new woodland created through Glastir Woodlands.

Financial progress**Commitment**

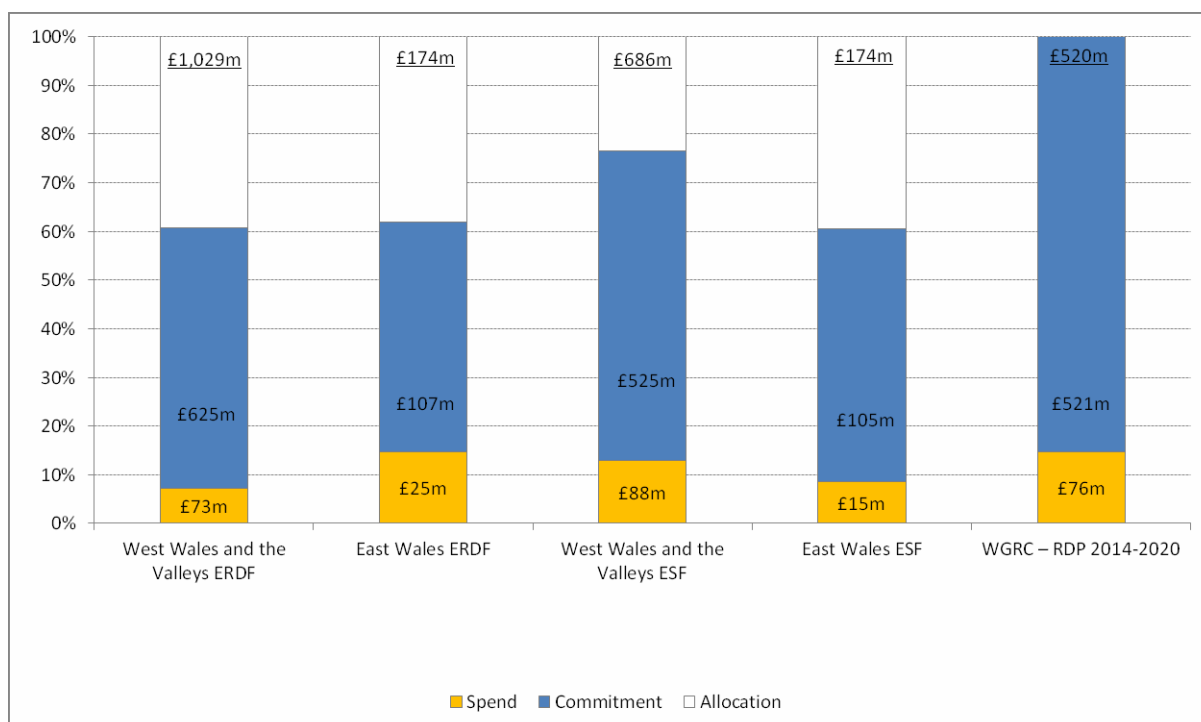
- Under the ERDF Programmes, total commitment currently stands at £1,401m (73% of the total allocation), of which £733m is EU funding (61% of the EU allocation).
- Under the ESF Programmes, total commitment currently stands at £1,166m (91% of the total allocation), of which £631m is EU funding (73% of the EU allocation).
- Under RDP2014-2020, total commitment currently stands at £787m (102% of programme value) of which £521m is EU funding.

Spend

- Around £205m of total spend has been recorded under the ERDF Programmes, of which £99m is EU funding
- Around £158m of total spend has been recorded under the ESF Programmes, of which £103m is EU funding
- Around £104m spend has been recorded across the RDP2014-2020 of which £76m is EU Funding.

Chart 1: Total Programme Expenditure Committed / Spent

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

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

Indicator Data

Indicator	Target	Project Forecast	Profiled to date	Achieved to date
ERDF				
Enterprises supported	45,512	40,944	7,068	5,193
<i>of which</i>				
Enterprises created	7,400	10,035	1,627	1,622
Employment increase in supported enterprises	26,980	31,841	5,205	2,313
Amount of research funding secured	£230m	£168m	£40m	£35m
Increase in level of export	£233m	£215m	£35m	£10m
Additional capacity of renewable energy production	28	1	-	-
Number of households with improved energy consumption classification	9,700	3,825	-	-
Public transport services created or improved	2,920,000 vehicle km	-	-	-
ESF				
People assisted	434,100	402,606	110,442	94,984
<i>of which</i>				
Young people assisted	150,000	104,639	32,550	25,191
People supported into employment	40,642	50,173	8,176	4,957
People gaining qualifications	194,633	227,161	29,755	35,915
EAFRD				
Physical area supported	688,000	528,010	-	676,469
People in training	13,000	13,500	-	-
Agricultural holdings supported	3,773	542	-	553

Source: Welsh Government, 31/07/2017

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

Section 1: ERDF Programmes: Commitment

This section gives details of current financial progress under the ERDF Programmes, including an overview of the Programmes and information at Priority-level.

Table 1 shows the number and amount of EU Grant committed to approved Operations under the West Wales and the Valleys and East Wales ERDF Programmes.

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

Priority	Operations approved	Allocation		Committed				Spend			
		Total ¹	EU Grant ¹	Total ²		EU Grant ²		Total ³		EU Grant ³	
West Wales and the Valleys ERDF											
1	18	387	256	349	(90%)	204	(80%)	24	(6%)	14	(6%)
2	7	285	178	276	(97%)	146	(82%)	64	(22%)	28	(16%)
3	8	210	146	79	(38%)	49	(33%)	13	(6%)	7	(4%)
4	16	653	428	435	(67%)	207	(48%)	35	(5%)	23	(5%)
5	7	28	21	27	(100%)	19	(92%)	3	(12%)	2	(11%)
Total	56	1,562	1,029	1,166	(75%)	625	(61%)	139	(9%)	73	(7%)
East Wales ERDF											
1	8	152	76	138	(91%)	60	(79%)	21	(14%)	7	(9%)
2	7	68	34	63	(93%)	32	(93%)	34	(49%)	13	(37%)
3	1	38	19	7	(19%)	4	(19%)	-	(0%)	-	(0%)
4	2	82	41	19	(23%)	9	(23%)	11	(13%)	6	(14%)
5	6	7	3	7.1	(102%)	2.9	(82%)	1	(9%)	0	(9%)
Total	24	348	174	234	(67%)	107	(62%)	67	(19%)	25	(15%)
Total ERDF	80	1,909	1,202	1,401	(73%)	732	(61%)	205	(11%)	99	(8%)

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

² Percentages show committed as share of allocation

³ Percentages show spend as share of allocation

Overall Programme Update

The two ERDF Programmes continue to make good progress with 80 operations approved committing £733 million grant and representing 61% of the programme values. Commitments continue at a steady pace with a healthy pipeline and continued interest in the programmes being maintained.

So far £73m (7% WWV) and £26m (15% EW) has been paid out to project sponsors. Currently there are payments awaiting authorisation by WEFO amounting to £25m and £5m for the West Wales and East Wales respectively; taking these into account the payments to sponsors rise to £98m (10%) in West Wales and the Valleys and £30m (17%) in East Wales.

These spend figures have translated into a drawdown of funds from the European Commission of 7% of the grant allocation in West Wales and the Valleys and 16% of the grant allocation in East Wales which is well above the EU average of 4%. All Programmes have met the 2017 N+3 targets and are on track to meet the 2018 targets.

Section 2: Progress by Priority Axis

Priority 1: Research and Innovation

Table 2: EU Grant Commitment by Specific Objective

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ERDF Approved		Operations	Indicative Allocation	ERDF Approved	
SO1.1: Research capacity	8	£102m	£96m	94%	4	£29m	£22m	76%
SO1.2: Commercialisation	10	£153m	£108m	70%	4	£47m	£38m	81%
Total Priority 1	18	£256m	£204m	80%	8	£76m	£60m	79%

Source: WEFO, 31/07/2017

Approvals since the last PMC

No approvals since previous PMC.

Good progress is being made on the 17 operations that were chosen to progress to the formal business planning stage following the Specific Objective 1.2 call.

Development of these proposals is going well and approvals are expected to begin very soon. It is anticipated that the Research and Innovation Priority will fully commit all available funds and WEFO is aware of demand for further funding, particularly in the area of capacity building. WEFO continues to review existing operations, alongside the performance of the Priority 1 portfolio, to ensure that any potential de-commitments are identified at an early stage so that the funds can be recycled.

WEFO will consider finances and targets as part of the proposed programme modification reviews.

Table 3: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO1.1 To increase the success of Welsh research institutions in attracting competitive and private research funding	Amount of research funding secured	£165m	£119m	£15m	£12m	£65m	£49m	£24m	£23m
	Number of enterprises cooperating with supported research institutions	160	272	18	18	90	69	4	-
	Number of improved research infrastructure facilities	6	7	-	-	2	2	1	1
	Number of new researchers in supported entities	470	363	29	16	290	99	42	36
	Number of researchers working in improved research infrastructure facilities	200	365	-	-	110	66	58	38
SO1.2 To increase the successful translation of research and innovation processes into new and improved commercial products and services, in particular through improved technology transfer from HEIs	Number of enterprises supported to introduce new to the market products	490	134	1	5	300	73	-	-
	Number of enterprises supported to introduce new to the firm products	725	317	25	11	440	113	-	-
	Number of enterprises cooperating with supported research institutions	1,212	344	61	26	715	98	-	-
	Number of enterprises receiving grants	520	330	60	-	320	300	37	-
	Number of enterprises receiving non-financial support	3,750	806	120	91	2,245	304	40	24
	Number of new enterprises supported	30	29	2	2	20	6	-	-
	Private investment matching public support in innovation or R&D projects	€42.8m	€33.4m	€5.6m	€0.0m	€26.2m	€19.1m	€2.6m	€0.0m
	Employment increase in supported enterprises	1,125	346	3	-	670	120	-	-
	Number of patents registered for products	519	155	10	5	315	56	1	-
	Number of pilot projects completed	n/a	48	-	-	n/a	-	-	-
	Enterprises adopting or improving:								
	- equality and diversity strategies and monitoring systems	956	1	1	-	515	-	-	-
	- sustainable development strategies and monitoring systems	956	1	1	-	515	-	-	-

Source: WEFO, 31/07/2017

There are some variances within the Research and Innovation Priorities compared to what might be expected given the financial allocation committed although it has to be recognised that SO1.1 given its focus on building capacity, including related infrastructure, will take time to deliver results. The shift in the targeting approach for this Priority – in comparison to previous programmes (which were used as a basis to set programme targets) – particularly affects the commercialisation objective (SO1.2). The 2014-2020 programmes seek to target more firms containing 10 or more employees, and place more emphasis on those micro-businesses with genuine potential to grow to at least that size. This approach has the potential to have a greater economic impact, but will mean less of a focus on volume of businesses supported. The indicators also reflect an emphasis on greater tailoring of more intensive support, looking at innovation systems as a whole within different businesses/clusters (counting each enterprise in which new products are introduced, for example) rather than numbers of innovations (which can lead to less emphasis on the effect on turnover / usefulness).

The information in Table 3 above is generated only from approved operations and does not, therefore, take account of expected outputs from operations currently in development. Accordingly, as a result of operations being progressed following the recent call, we are expecting most of the SO 1.2 Project Forecast figures for both WW&V and EW to significantly increase – in most cases more than double. For example, in WW&V the project forecast for *new to firm* and *new to market products* is expected to be close to the Priority Target and, in both WW&V and EW, the forecast for *private investment matching public support* is expected to exceed the Priority target. The *number of enterprises cooperating with supported research institutions* is expected to be much higher and, in some cases exceed the Priority target because of a clarification to the indicator definition allowing all parties to the cooperation to be counted.

Priority 2: SME Competitiveness

Table 4: EU Grant Commitment by Specific Objective

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ERDF Approved		Operations	Indicative Allocation	ERDF Approved	
SO2.1: Access to Finance	1	£59m	£75m	128%	1	£9m	£10m	107%
SO2.2: Start-ups	1	£15m	£19m	127%	1	£4m	£6m	176%
SO2.3: ICT take up and exploitation	1	£9m	£5m	56%	1	£1m	£2m	122%
SO2.4: Employment Growth in SMEs	3	£78m	£27m	35%	3	£17m	£8m	48%
SO2.5: Risk Capital Finance	1	£17m	£21m	122%	1	£3m	£6m	197%
Total Priority 2	7	£178m	£146m	82%	7	£34m	£32m	93%

Source: WEFO, 31/07/2017

Approvals since the last PMC

No approvals since previous PMC.

The priority is settled with commitment levels across both programmes high with an integrated portfolio developed around operations making up the 'Business Wales Family' encompassing Welsh Government, Wales Co-Operative Centre, Finance Wales and the WCVA. There does not appear to be any particular gap in provision with little interest in 'niche' type business support ideas coming forward.

At the launch of the Development Bank for Wales an additional £35m ERDF for the Wales Business Fund was announced (£30m West Wales and the Valleys and £5m East Wales). There remains potential to invest further in the Wales Business Fund to absorb some of the uncommitted funds and this will be given further thought over the coming few months.

The Wales Business Fund continues to make good progress since its launch in September 2016. By the end of July 2017 it had invested £31m ERDF in 69 SMEs supporting private sector investment of £80m resulting in just over £110m total investments made which is ahead of profile. Employment Increase is not measured until 12 months after the investment is made, so these will flow through later.

Given the settled nature of the priority in both programmes the focus is very much on delivery and WEFO continues to closely monitor progress, paying particular attention to delivery and reporting of indicators and this will feed into a mid term review of operations funded from SO2.2, SO2.3 and SO2.4.

WEFO hosted a symposium of the Business Wales Family for operation leads, delivery agents, the WLGA and the Regional Engagement Teams in September 2016, and a second event is now being planned for October 2017.

Table 5: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date ¹	Target	Project Forecast	Profiled to date	Achieved to date ¹
SO2.1 To increase the amount of finance available to SMEs for both business start-up and for business expansion	Investment in enterprises	£91.6m	£149.6m	£12.4m	£31.0m	£25.9m	£22.3m	£1.8m	£60.8m
	Number of enterprises receiving grants	160	-	-	-	45	-	-	-
	Number of enterprises receiving financial support other than grants	235	228	19	32	65	31	2	20
	Private investment matching public support to SMEs - Non-grants	€132.0m	€101.0m	€8.4m	€20.2m	€37.3m	€16.8m	€2.4m	€58.3m
	Employment increase in supported enterprises	2,300	1,954	-	-	650	265	-	-
	Enterprises adopting or improving:								
	- sustainable development strategies and monitoring systems	190	-	-	-	60	-	-	-
SO2.2 To increase the number of SME start-ups through the provision of information, advice and guidance and support for entrepreneurship	- equality and diversity strategies and monitoring systems	190	-	-	-	25	-	-	-
	Number of new enterprises supported	5,150	6,000	995	925	2,200	4,000	630	695
	Number of enterprises receiving non-financial support	275	-	-	-	120	-	-	-
	Individuals receiving support	14,350	6,000	-	854	6,200	4,000	-	466
	Individuals receiving support - Female individuals	7,300	-	-	360	3,100	-	-	190
	Individuals receiving support - BME individuals	375	-	-	39	445	-	-	16
	Individuals receiving support - Disabled individuals	3,650	-	-	6	1,350	-	-	3
	Employment increase in supported enterprises	8,800	10,250	1,870	734	3,800	6,750	1,230	230
	Enterprises adopting or improving:								
	- sustainable development strategies and monitoring systems	2,710	1,500	273	-	465	1,000	182	-
	- equality and diversity strategies and monitoring systems	2,710	1,500	273	-	1,165	1,000	182	-
SO2.3 To increase the take-up and exploitation of NGA networks and ICT infrastructure by SMEs	Number of enterprises supported to introduce new to the firm products	1,480	1,480	110	-	400	400	30	-
	Number of enterprises receiving non-financial support	3,450	3,823	706	170	900	1,094	218	230

¹ Achieved to date under SO2.2 and SO2.4 are provisional figures still undergoing verification

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Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date ¹	Target	Project Forecast	Profiled to date	Achieved to date ¹
SO2.4 To increase the growth of those SMEs with growth potential, in particular through accessing new markets (both domestic and international)	Employment increase in supported enterprises	6,450	7,215	1,273	1,075	2,550	4,606	829	274
	Number of enterprises receiving grants	40	30	3	-	10	15	2	-
	Number of enterprises receiving financial support other than grants	330	-	-	-	115	-	-	-
	Number of enterprises receiving non-financial support	13,650	12,400	2,411	1,701	5,400	8,170	1,574	1,226
	Private investment matching public support to SMEs - Grants	€4.3m	0	0	-	€2.2m	0	0	-
	Private investment matching public support to SMEs - Non-grants	€6.6m	-	-	-	€3.4m	-	-	-
	Increase in level of export	£167.1m	£130.0m	£21.5m	£8.4m	£65.9m	£85.0m	£13.0m	£1.7m
	Enterprises adopting or improving:								
	- sustainable development strategies and monitoring systems	8,700	5,000	812	19	1,300	3,300	659	5
	- equality and diversity strategies and monitoring systems	8,700	5,000	812	25	3,200	3,300	659	10
SO2.5 To address market failures in the availability of finance, in particular risk capital, for Welsh SMEs to undertake innovation and commercialise R&D	Investment in enterprises	£26.5m	£41.4m	£5.1m	£2.7m	£7.2m	£12.7m	£1.0m	£16.0m
	Number of enterprises receiving financial support other than grants	90	49	-	6	25	-	-	11
	Private investment matching public support to SMEs - Non-grants	€23.8m	€27.9m	€3.5m	€2.0m	€14.1m	€9.7m	€0.8m	€12.9m
	Employment increase in supported enterprises	490	265	-	-	145	70	-	-
	Number of enterprises supported to introduce new to the firm products	20	24	-	-	5	6	-	-
	Enterprises adopting or improving:								
	- sustainable development strategies and monitoring systems	45	-	-	-	5	-	-	-
	- equality and diversity strategies and monitoring systems	45	-	-	-	13	-	-	-

Source: WEFO, 31/07/2017

¹ Some of the Achieved to date are provisional figures still undergoing verification

Priority 3: Renewable Energy and Energy Efficiency

Table 6: EU Grant Commitment by Specific Objective

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ERDF Approved		Operations	Indicative Allocation	ERDF Approved	
SO3.1: Marine Energy	6	£86m	£23m	27%	n/a	n/a	n/a	n/a
SO3.2: Community Energy (SO3.1 EW)	1	£20m	£7m	33%	0	£4m	£0m	0%
SO3.3: Energy Efficiency in Housing (SO3.2 EW)	1	£40m	£20m	49%	1	£15m	£4m	23%
Total Priority 3	8	£146m	£49m	34%	1	£19m	£4m	19%

Source: WEFO, 31/07/2017

Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ERDF Approved	Total investment	ERDF Approved
META (Pembrokeshire Coastal Forum)	1.8	1.1		
Caerau Smart Heating (Bridgend CBC)	9.4	6.5		
Morlais (Menter Môn)	5.6	4.2		

This Priority is an innovative area of the programmes and whilst progress is proving to be more challenging than planned, progress is being made; particularly in working with developers keen to make use of the waters around Wales to deploy their wave and tidal energy devices. Pre-planning conversations with developers are continuing at pace and there is a healthy pipeline of potential marine energy operations. Whilst the technical nature of these marine operations does take time to resolve the potential demand for funds remains encouraging. Two Marine Energy operations have been approved being META being a nursery site for short-stay testing for wave devices and approval to support the consenting process of the Morlais Demonstration Zone.

There is less scope for activity in the East Wales programme as marine energy production is not an eligible activity. As such the East Wales programme is dependant on operations that will support small scale community renewable energy schemes and increasing the energy efficiency of existing Welsh housing stock particularly in areas of severe fuel poverty.

A Community Energy Call was launched on 10 April 2017, with three drop in sessions held in North, Mid and South Wales during May and June. The closing date for applications was 30 June 2017. 43 proposals were received, 7 for East Wales and 35 for WWV. The proposals received are in the process of being assessed and applicants will be notified if they have been accepted into the business planning stage by the 30th September. The recent re-evaluation of business rates

calculations could impact adversely on the number of applications from Community Energy groups. The Welsh Government is aware of the situation and is considering the case for specific assistance, but it remains encouraging that 43 proposals have been received. In the meantime an offer of grant has been made to Caerau Local Heat scheme which was an operation that was in development before the Call for small scale community schemes was announced. This is an innovative scheme turning metal mine water into heat.

Table 7: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO3.1 Increase the number of wave and tidal energy devices being tested in Welsh waters and off the Welsh coast, including multi-device array deployments, thereby establishing Wales as a centre for marine energy production	Additional capacity of renewable energy production (MW)	20	1	-	-	n/a	n/a	n/a	n/a
	Energy support site preparation schemes	2	3	-	-	n/a	n/a	n/a	n/a
	Number of renewable energy prototypes tested	8	3	-	-	n/a	n/a	n/a	n/a
	Community energy schemes	37	1	-	-	3	-	-	-
	Number of enterprises receiving non-financial support	150	-	-	-	70	-	-	-
	Number of enterprises supported to introduce new to the firm products	75	-	-	-	35	-	-	-
SO3.2 To increase the number of small scale renewable energy schemes established	Number of pilot projects completed	4	-	-	-	3	-	-	-
(SO3.1 East Wales)	Additional capacity of renewable energy production (MW)	n/a	n/a	n/a	n/a	8	-	-	-
	Energy support site preparation schemes	n/a	n/a	n/a	n/a	1	-	-	-
	Number of renewable energy prototypes tested	n/a	n/a	n/a	n/a	3	-	-	-
SO3.3 Increase the energy efficiency of the existing Welsh housing stock, particularly in areas of fuel poverty	Number of households with improved energy consumption classification	5,500	3,060	-	-	4,200	765	-	-
	Estimated decrease of GHG	10	-	-	-	5	-	-	-
(SO3.2 East Wales)									

Source: WEFO, 31/07/2017

At this stage it is too soon to make any firm judgements around indicator delivery but overall signs look positive.

Priority 4: Connectivity and Urban Development

Table 8: EU Grant Commitment by Specific Objective

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ERDF	Approved	Operations	Indicative Allocation	ERDF	Approved
SO4.1: Roads	3	£91m	£64m	71%	n/a	n/a	n/a	n/a
SO4.2: Public Transport (SO4.1 EW)	2	£147m	£19m	13%	0	£31m	£0m	0%
SO4.3: ICT Infrastructure (SO4.2 EW)	2	£48m	£20m	42%	2	£10m	£9m	92%
SO4.4: Strategic Sites	9	£143m	£104m	73%	n/a	n/a	n/a	n/a
Total Priority 4	16	£428m	£207m	48%	2	£41m	£9m	23%

Source: WEFO, 31/07/2017

Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ERDF Approved	Total investment	ERDF Approved
Llangefni Strategic Employment Site (Isle of Anglesey County Council)	£8.6m	£4.2m		
Harbourside Strategic Employment Site (Neath Port Talbot County Borough Council)	£5.3m	£3.5m		
Penmaen Road Employment Site Conwy Morfa (Conwy County Borough Council)	£3.6m	£1.5m		

WWV and EW programmes recognise that investment to improve connectivity is an essential pre-requisite axes. As such to ensure this principle is achieved the appraisal process seeks to establish the wider connectivity opportunities operations will fit into so silo developments are avoided.

Certain activities within the Connectivity Priority for West Wales and the Valleys programme have to be regionally prioritised. Such operations include the Tourism Attractor Destination operation, Building for the Future and local 'gap' fillers around the backbone operation for Sites and Premises. Six individual projects have been agreed by WEFO under the two Welsh Government umbrella operations (4 schemes under the Tourism operation and 2 under Building for the Futures) and more will follow over the coming months. Four regionally prioritised local authority Sites and Premises 'gap' fillers have now been approved with a further six in WEFO's business planning phase. A number of new proposals are also at pre-planning stage following discussions WEFO has had with the local authority Regional Engagement Teams over the prioritisation of further gap fillers to utilise available resources.

Discussions continue with Welsh Government over the scale of the next broadband proposal which will look to address the 4% shortfall in the provision of Next

Generation Access broadband services to all premises in Wales that cannot be accommodated under the existing operations. The nature and scale of this (potentially through a range of technological options) will be defined following the outcome of an Open Market Review which, due to the vast number of responses (some 300) to the consultation, is now due to report in October. Welsh Government will also be invited to submit a modest proposal to cover East Wales.

The Welsh Government Transport Department continues to make steady progress in evaluating Metro Phase 2 options which will seek ERDF support. Discussions are continuing with Transport for Wales, the European Commission and JASPERS approval .

Table 9: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO4.1 To address issues of peripherality and improve private investment in local areas through improvements to the functioning of the Trans-European Transport Network	Total length of reconstructed or upgraded roads (including TEN-T)	15	7	-	-	n/a	n/a	n/a	n/a
	Footpath or cycleway created or reconstructed	10	3	-	-	n/a	n/a	n/a	n/a
	Public transport services created or improved	2,500,000	-	-	-	420,000	-	-	-
	Intermodal facilities created or improved	25	6	5	5	5	-	-	-
	Total length of new railway line (including TEN-T)	15	-	-	-	n/a	n/a	n/a	n/a
	Total length of reconstructed or upgraded railway line (including TEN-T)	15	-	-	-	3	-	-	-
(SO4.1 East Wales)	Gross passenger kilometres on public transport	400,000,000	1,790,041	-	-	67,200,000	-	-	-
	Total length of reconstructed or upgraded roads (including TEN-T)	5	1	-	-	5	-	-	-
	Reduction in CO2 equivalent emissions	10,700	-	-	-	1,800	-	-	-
SO4.3 Contribute to Digital Agenda for Europe targets for 100% access to next generation broadband (30Mbps and above) and 50% access to 100Mbps	Additional premises with broadband access of at least 30 Mbps - Households	28,000	69,524	57,935	44,773	28,000	46,801	40,950	18,516
	Number of Enterprises supported to connect to 100Mbps or higher networks	250	250	-	-	25	25	-	-
	Additional population covered by ultrafast broadband (>100Mbps) broadband	n/a	91,053	75,876	41,022	n/a	43,494	38,052	25,599
(SO4.2 East Wales)	Jobs accommodated	1,770	2,994	70	-	n/a	n/a	n/a	n/a
SO4.4 To increase employment through prioritised local or regional infrastructure supporting an urban economic strategy	Land developed	50	102	-	-	n/a	n/a	n/a	n/a
	Premises created or refurbished	56,430	150,597	2,075	-	n/a	n/a	n/a	n/a
	SMEs accommodated	235	250	2	-	n/a	n/a	n/a	n/a

It is too early to make any firm judgements on output delivery; albeit from what has been approved and what is in business planning and pre-planning, output and target delivery appears to be on track.

Annex 1: ERDF Update

Priority 5: Technical Assistance

Table 10: EU Grant Commitment

	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ERDF Approved		Operations	Indicative Allocation	ERDF Approved	
Total Priority 5	7	£21m	£19m	92%	6	£3m	£3m	82%

Source: WEFO, 31/07/2017

Approvals since the last PMC

No approvals since previous PMC.

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

Section 1: ESF Programmes: Commitment

This section gives details of current financial progress under the ESF Programmes, including an overview of the Programmes and information at Priority-level.

Table 1 shows the number and amount of EU Grant committed to approved Operations under the West Wales and the Valleys and East Wales ESF Programmes.

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

£ Millions											
Priority	Operations approved	Allocation		Committed				Spend			
		Total ¹	EU Grant ¹	Total ²		EU Grant ²		Total ³		EU Grant ³	
West Wales and the Valleys ESF											
1	10	212	167	148	(70%)	107	(64%)	16	(8%)	9	(5%)
2	16	410	295	416	(101%)	253	(86%)	67	(16%)	55	(19%)
3	14	281	209	229	(81%)	151	(72%)	27	(10%)	22	(11%)
4	6	18	14	24	(131%)	15	(109%)	4	(22%)	2	(15%)
Total	46	922	686	817	(89%)	525	(77%)	114	(12%)	88	(13%)
East Wales ESF											
1	6	75	37	29	(39%)	15	(39%)	2	(2%)	1	(2%)
2	10	169	82	191	(114%)	47	(57%)	31	(18%)	6	(7%)
3	12	103	51	123	(120%)	41	(80%)	11	(10%)	8	(15%)
4	5	7	3	6	(85%)	3	(82%)	1	(14%)	0	(11%)
Total	33	353	174	349	(99%)	105	(61%)	44	(12%)	15	(9%)
Total ESF	79	1,275	860	1,166	(91%)	631	(73%)	158	(12%)	103	(12%)

Source: WEFO, 31/07/2017

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

² Percentages show committed as share of allocation

³ Percentages show spend as share of allocation

Overall Programme Update

Commitment is at 73% overall across both programmes (at the revised planning rate of €1.17) with 79 operations approved giving an overall commitment of £631 million, an additional £3m ESF since the last PMC. The additional commitment reflects the approval of 2 new operations. WEFO intends to commit the remaining £229m of ESF by the end of 2018 through a mixture of new and pipeline projects, extending projects to deliver more over longer timescales (where projects are performing well against their targets) and targeted calls for areas of the programmes where interest has not developed as expected.

So far £88m (13% WWV) and £15m (9% EW) has been paid out to project sponsors. Currently there are payments awaiting authorisation by WEFO amounting to £10m and £2m for the West Wales and East Wales respectively; taking these into account

the payments to sponsors rise to £98m (14%) in West Wales and the Valleys and £17m (10%) in East Wales.

These spend figures have translated into a drawdown of funds from the European Commission of 15% of the grant allocation in West Wales and the Valleys and 11% of the grant allocation in East Wales which is well above the EU average of 4%. All Programmes have met the 2017 N+3 targets and are on track to meet the 2018 targets.

Most Priority and Specific Objective areas now have a balanced portfolio of operations designed to deliver across the range of target participant client groups and target outcomes. New operations currently under development have the potential to commit a further £38m and offer more tailored niche activity to fill gaps in either the range of provision on offer or targeted client group. This includes some new proposals which have resulted from the recent call WEFO ran in the Poverty priority (see Section 2 for more details).

In addition to managing future commitments, the main focus for ESF is now on delivery. The programmes have already engaged with almost 95,000 participants to date (22% of the overall target), supported over 4,900 people into employment and almost 36,000 to gain qualifications.

Section 2: Progress by Priority

Priority 1: Tackling Poverty through Sustainable Employment

Table 2: EU Grant Commitment by Specific Objective

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ESF Approved		Operations	Indicative Allocation	ESF Approved	
SO1.1: Helping people into work	1	£39m	£34m	86%	n/a	n/a	n/a	n/a
SO1.2: Inclusion & Engagement in LM (SO1.1 EW)	8	£103m	£70m	68%	6	£37m	£15m	39%
SO1.3: Helping People stay in work	1	£25m	£3m	13%	n/a	n/a	n/a	n/a
Total Priority 1	10	£167m	£107m	64%	6	£37m	£15m	39%

Source: WEFO, 31/07/2017

Table 3: Approvals since the last PMC

No approvals since previous PMC.

No new operations have been approved since the last PMC in this Priority. Commitment levels are currently 64% in WWV and 39% in EW with total EU funds of £121.3m committed with £83.6m remaining to be allocated. The potential for further commitment features extensions of existing operations, subject to performance, and the recent calls held under each programme. The calls offered the opportunity to commit a further £20m ESF in each programme area, approximately £7.7m of under SO3 in WWV, which may increase as proposals engage in further discussions with WEFO and approx £2m in EW. This level of response in East Wales continues to demonstrate the challenging environment facing the Poverty priority in that programme area and results from a combination of factors including, the lower intervention rate of 50% available through the EW programme together with the availability of match funding to primarily public sector sponsors. Discussions will be held with the Commission throughout the autumn to consider the potential to modify the programme to help ensure future investment through this Priority.

All approved operations address specific barriers individuals face in finding and staying in employment. They all build on the successes of the previous round of ESF funding by continuing to focus on employment as the main objective for an individual and concentrating to an even greater extent on those individuals who are furthest away from the labour market, and face the most complex barriers to employment.

Table 4: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO1.1 To increase the employability of those closest to the labour market at most risk of poverty	Short term unemployed with no / low skills or a work limiting health condition or disability	5,999	4,799	-	-	n/a	n/a	n/a	n/a
	Individuals impacted by redundancy	12,001	15,269	2,586	1,646	n/a	n/a	n/a	n/a
	Short term unemployed participants with low skills or a work limiting health condition or disability in employment upon leaving	33%	57%	0%	0%	n/a	n/a	n/a	n/a
	Short term unemployed participants with low skills or a work limiting health condition or disability gaining a qualification upon leaving	50%	86%	0%	0%	n/a	n/a	n/a	n/a
	Individuals impacted by redundancy in employment upon leaving	55%	54%	39%	25%	n/a	n/a	n/a	n/a
	Individuals impacted by redundancy gaining a qualification upon leaving	70%	78%	67%	77%	n/a	n/a	n/a	n/a

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO1.2 To increase the employability of Economically Inactive and Long Term Unemployed people aged 25 and over, who have complex barriers to employment (SO1.1 East Wales)	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment	36,000	41,137	10,325	4,896	12,700	14,611	1,447	1,032
	Long-term unemployed (aged 25 and over) who have complex barriers to employment	10,800	18,107	3,528	2,481	3,800	5,863	803	595
	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment entering employment including self employment upon leaving	20%	19%	13%	15%	20%	18%	19%	17%
	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment engaged in job search upon leaving	25%	14%	10%	4%	25%	14%	16%	6%
	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment gaining a qualification or work relevant certification upon leaving	50%	30%	25%	13%	50%	24%	14%	6%
	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment increasing employability through completing work experience placement or volunteering opportunity	54%	14%	8%	0%	54%	16%	2%	0%
	Long-term unemployed (aged 25 and over) who have complex barriers to employment entering employment including self employment upon leaving	25%	15%	10%	0%	25%	18%	14%	0%
	Long-term unemployed (aged 25 and over) who have complex barriers to employment gaining a qualification or work relevant certification upon leaving	50%	26%	29%	13%	50%	20%	13%	7%
	Long-term unemployed (aged 25 and over) who have complex barriers to employment increasing employability through completing work experience placement or volunteering opportunity	54%	22%	22%	10%	53%	19%	14%	4%

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Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO1.3 To reduce under-employment or absence rates for employed individuals with work limiting health conditions and / or other barriers to sustainable engagement with the labour market	Participants Employed including self-employed with work-limiting health condition or disability	4,000	4,232	1,668	798	n/a	n/a	n/a	n/a
	Underemployed participants with barriers to full employment	4,000	-	-	-	n/a	n/a	n/a	n/a
	Number of micro small and medium-sized enterprises supported	2,000	-	-	-	n/a	n/a	n/a	n/a
	Workplace health programmes	300	130	49	-	n/a	n/a	n/a	n/a
	Supported enterprises having adopted or improved equality and diversity strategies and monitoring systems	50%	0%	0%	0%	n/a	n/a	n/a	n/a
	Employed including self employed participants with work limiting health condition or disability returning to work after a period of absence	50%	19%	18%	100%	n/a	n/a	n/a	n/a
	Employed including self Employed Participants with Work limiting health condition or disability with an improved labour market situation upon leaving	50%	31%	32%	33%	n/a	n/a	n/a	n/a
	Underemployed participants with an improved labour market situation upon leaving such as increased hours permanent contract	40%	0%	0%	0%	n/a	n/a	n/a	n/a

Source: WEFO, 31/07/2017

Overall performance for this Priority remains encouraging with over 12,000 participants engaged to date. Forecast numbers of participants generally exceed programme targets in WWV. However progress against forecast targets, shows that early planning assumptions by operations have not delivered as expected. Indications are that delivery is being affected by the strength of the labour market and the challenge of engaging with a harder to help client group. WEFO is continuing to monitor action with individual operations.

Redundancy and Short term unemployment (SO 1.1 WWV): The take up of redundancy support under the ReACT operation has not been as high as originally expected as the number of redundancies in the labour market are lower than anticipated. It is therefore largely positive that the take up is lower than expected but something that WEFO will need to monitor in terms of overall spend levels in this specific objective. Agreed changes to the ReAct operation will allow it to also pick up short term unemployed in due course.

Long term Unemployed and Economically Inactive (SO1.2 WWV and SO1 EW): Forecasts are ahead of the programmes targets given the level of commitment although the low responses to the call in EW continue to present challenges to the delivery of this area of the programme. The seemingly low participant numbers engaged to date against profile reflect the longer than anticipated timespans to get systems up and running and delivery underway, together with the more challenging nature of engaging the harder to reach target groups which underpin the programme objectives. This is further reflected in the result indicators in that more intensive and longer term interventions are needed with the harder to reach cohort and so the anticipated results are being realised later than planned. Delivery is showing some improvement in the results achieved, particularly in the Economically Inactive cohort entering employment.

Underemployed and employed with Work limiting Health Conditions (SO3 WWV): Again, delivery is lower than expected at this stage of implementation because of longer than anticipated timescales in getting delivery in place. It is anticipated the recent call for this for this Specific Objective in the WWV programme will, subject to project approval, increase delivery and performance within this area and will primarily be seen during 2018.

Priority 2: Skills for Growth**Table 5: EU Grant Commitment by Specific Objective**

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ESF Approved		Operations	Indicative Allocation	ESF Approved	
SO2.1: Basic Skills	5	£142m	£88m	62%	3	£53m	£19m	36%
SO2.2: Adaptability and Progression	8	£89m	£124m	139%	6	£24m	£25m	106%
SO2.3: Research & Innovation	2	£46m	£35m	77%	n/a	n/a	n/a	n/a
SO2.4: Gender Equality (SO2.3 EW)	1	£18m	£6m	30%	1	£4m	£2m	58%
Total Priority 2	16	£295m	£253m	86%	10	£82m	£47m	57%

Source: WEFO, 31/07/2017

Approvals since the last PMC

No approvals since previous PMC.

No new operations have been approved since the last PMC in this Priority. Commitment levels are already quite high at 86% in WWV and 57% in EW, with total EU funds of £299.9m already committed and only £77.1m remaining to be allocated. A number of proposals remain in development and there is potential to extend some existing approved operations to run for longer periods, subject to performance. The portfolio of operations to date build on the achievements of the 2007-13 programme, by focusing on the delivery of the essential, technical and specialist skills required to build an agile and responsive workforce equipped to fully capitalise upon the opportunities and growth potential offered by a modern, knowledge-based economy. Whilst basic and essential skills constitute a common, and necessary, foundation across the entire workforce, the intelligence on key growth opportunities and emerging and priority sectors identified in the Economic Prioritisation Framework (EPF), together with the Regional Learning Partnerships' emerging Employment and Skills Plans and Labour Market Intelligence, constitute key tools to guide the targeting and focusing of skills interventions, particularly those delivering skills at an intermediate and higher level.

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

Table 6: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO2.1 To increase the skills levels, including work relevant skills, of those in the workforce with no or low skills	Employed including self-employed participants with no formal qualifications - Male	14,029	5,092	1,761	370	7,799	1,728	669	41
	Employed including self-employed participants with no formal qualifications - Female	12,771	5,407	1,690	271	7,101	1,934	762	78
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Male	23,870	21,734	6,594	6,646	13,296	9,022	2,549	3,211
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Female	21,730	26,300	6,559	6,627	12,104	10,854	2,658	3,616
	Employed including self employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - Male	72%	77%	39%	45%	72%	76%	37%	0%
	Employed including self employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - Female	72%	77%	44%	53%	72%	76%	34%	0%
	Employed including self-employed participants with up to and including a lower secondary education gaining an essential skills or technical or job specific qualification at lower secondary level upon leaving - Male	72%	80%	40%	59%	72%	81%	42%	56%
	Employed including self-employed participants with up to and including a lower secondary education gaining an essential skills or technical or job specific qualification at lower secondary level upon leaving - Female	72%	80%	46%	55%	72%	81%	41%	50%

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO2.2 To increase the number of people in the workforce with technical and job specific skills at an intermediate and higher level.	Employed including self-employed participants with lower secondary education (CQFW 2) - Male	16,070	22,137	5,419	4,396	6,438	9,754	2,515	2,301
	Employed including self-employed participants with lower secondary education (CQFW 2) - Female	14,630	27,487	5,513	4,665	5,862	12,208	2,515	2,462
	Employed including self employed participants with upper secondary (CQFW 3) education or above - Male	10,731	11,804	4,246	4,983	4,292	5,390	2,003	2,828
	Employed including self employed participants with upper secondary (CQFW 3) education or above - Female	9,769	12,991	6,470	9,480	3,908	5,585	3,401	5,619
	Employed including self-employed participants with lower secondary education (CQFW 2) gaining a technical or job specific vocational qualification upon leaving at upper secondary (CQFW 3) level or above - Male	60%	79%	36%	52%	60%	80%	37%	57%
	Employed including self-employed participants with lower secondary education (CQFW 2) gaining a technical or job specific vocational qualification upon leaving at upper secondary (CQFW 3) level or above - Female	60%	79%	40%	50%	60%	80%	50%	53%
	Employed including self employed participants with upper secondary (CQFW 3) education or above gaining a technical or job specific vocational qualification at or above upper secondary (CQFW 3) level upon leaving - Male	60%	80%	36%	35%	60%	80%	52%	38%
	Employed including self employed participants with upper secondary (CQFW 3) education or above gaining a technical or job specific vocational qualification at or above upper secondary (CQFW 3) level upon leaving - Female	60%	80%	28%	42%	60%	80%	32%	43%

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO2.3 To increase the number of people with graduate degrees or equivalent undertaking research and innovation activities with enterprise	Participants with graduate degree or equivalent - Male	780	486	140	172	n/a	n/a	n/a	n/a
	Participants with graduate degree or equivalent - Female	720	386	88	105	n/a	n/a	n/a	n/a
	Number of enterprises collaborating with learning providers	750	566	109	170	n/a	n/a	n/a	n/a
	Participants with a graduate degree or equivalent gaining a qualification upon leaving at Masters (CQFW 7) or Doctoral (CQFW 8) level - Male	63%	82%	2%	0%	n/a	n/a	n/a	n/a
	Participants with a graduate degree or equivalent gaining a qualification upon leaving at Masters (CQFW 7) or Doctoral (CQFW 8) level - Female	63%	79%	0%	0%	n/a	n/a	n/a	n/a
	Participants with graduate degree or equivalent in employment upon leaving - male	52%	0%	0%	0%	n/a	n/a	n/a	n/a
	Participants with graduate degree or equivalent in employment upon leaving - female	52%	0%	0%	0%	n/a	n/a	n/a	n/a
SO2.4 To improve the position of women in the workforce	Number of supported micro small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)	800	347	192	-	300	153	85	75
	Employed including self-employed	4,400	1,407	591	-	1,500	800	474	474
	Participants gaining a qualification upon leaving	75%	80%	49%	0%	73%	80%	33%	33%
(SO2.3 East Wales)	Supported Enterprises having adopted or improved equality and diversity strategies and monitoring systems	50%	80%	56%	0%	50%	80%	46%	47%

Source: WEFO, 31/07/2017

The position on performance for this priority remains very encouraging. Where there are gaps in the outputs committed to beneficiaries there is remaining funding available to address them. To date, over 58,000 participants have already been enrolled by approved operations in this Priority. Achievement against most indicators is running close to or ahead of profile, and this encouraging picture is now reflected in qualifications data as well as participant numbers, as participants are starting to complete courses and gain their awards.

Increasing skills for those with low or no skills (SO2.1): Forecasts are high against programme targets, given the relatively low financial commitment to date (average 54%), and achievements to date are encouraging. The exception is participants with no formal qualifications; this is because it is proving difficult to define what is meant by 'no formal qualifications'. Some operations are reporting that even very low skilled individuals are often presenting with at least some level of prior qualification (e.g. an entry level award) which is leading to them reporting fewer participants than expected as holding 'no qualifications'.

Intermediate and higher level skills (SO2.2): Across Wales all targets and outcomes are predicted to be exceeded. -Encouragingly, the 2018 performance framework targets within this SO (which relate to participants with lower secondary education) have now been met. Numbers of participants with upper secondary education, particularly females, are also very strong.

Research and Innovation activity (SO2.3 in WW&V only): Funding has now been committed which will support just over 800 participants in this SO (these are industrial doctorates and masters studentships). Whilst we hope to increase the number of studentships further, the 1,500 participants originally targeted for this SO now appears too high given that activity in this area is limited to the 'grand challenge' areas of Science for Wales and that outputs (e.g. doctorates) take a number of years to achieve. Encouragingly, the lower level of participants is somewhat mitigated by a significantly higher proportion of those participants expected to achieve key outcomes.

Improving the position of women in the workforce (SO2.4 WWV / SO2.3 EW): Targets for both programmes are broadly in line with expectations. The absence of reported achievements in WWV is due to data validation problems on a recent claim and WEFO is content from discussions with the beneficiary that outputs and results are continuing to be achieved. .

Priority 3: Youth Employment and Attainment

Table 7: EU Grant Commitment by Specific Objective

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ESF Approved		Operations	Indicative Allocation	ESF Approved	
SO3.1: Youth Unemployment	6	£115m	£98m	85%	8	£38m	£32m	84%
SO3.2: Youth attainment & Engagement	6	£73m	£47m	64%	4	£13m	£9m	68%
SO3.3: STEM	1	£11m	£2m	15%	n/a	n/a	n/a	n/a
SO3.4: Early years	1	£10m	£4m	40%	n/a	n/a	n/a	n/a
Total Priority 3	14	£209m	£151m	72%	12	£51m	£41m	80%

Source: WEFO, 31/07/2017

Table 8: Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ESF Approved	Total investment	ESF Approved
Cynnydd (Powys County Council)			£2.0m	£1.0m
ADTRAC (Grwp Llandrillo-Menai)			£3.6m	£1.8m

A further £3.8m ESF has been committed in the EW programme since the last PMC meeting, taking the Priority commitment in EW to 80%. With no further approvals in WWV commitment remains at 72%. EU funds already committed total £191.8m with only £69.5m left to be allocated. With a number of operations in development there is further opportunity to build on the positive and strong commitment levels within this priority.

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

The two new EW approvals include £1m ESF for the **Cynnydd** operation. Led by Powys CC, the operation completes the local authority led suite of operations within the Youth Priorities aimed at supporting those 11-24 year olds at risk of becoming NEET. A further £1.8m ESF has also been approved for the Grŵp Llandrillo Menai led operation **ADTRAC**. This operation will work in unison with the WWV ADTRAC operation, confirmed in the last PMC update, to support 16-24 year olds in the North Wales region who are NEET and have multiple barriers preventing them from progressing into education or employment.

Table 9: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO3.1 To reduce the number of 16-24 year olds who are Not in Employment Education or Training (NEET)	NEET Participants (16 - 24 years of age)	42,700	48,483	13,138	11,724	21,200	28,266	6,842	4,775
	NEET Participants (16 - 24 years of age) gaining qualifications upon leaving - with primary or lower secondary education	200%	100%	70%	220%	200%	100%	70%	220%
	NEET Participants (16 - 24 years of age) in education/training upon leaving	17%	17%	15%	25%	17%	17%	15%	33%
	NEET Participants (16 - 24 years of age) entering employment upon leaving	28%	30%	24%	20%	28%	32%	26%	20%
SO3.2 To reduce the number of those at risk of becoming NEET, amongst 11-24 year olds	Participants at Risk of becoming NEET (11-24)	49,700	16,064	7,393	3,692	13,000	6,836	2,251	1,212
	Participants at risk of becoming NEET (11-24 years of age) gaining qualifications upon leaving - with primary (CQFW 1) or lower secondary education (CQFW 2)	7%	14%	5%	1%	27%	17%	12%	1%
	Participants at risk of becoming NEET(11-24) into education/training upon leaving	19%	8%	7%	2%	18%	11%	11%	1%
	Participants at Risk of becoming NEET (11-24) at reduced risk of becoming NEET upon leaving	-	58%	33%	7%	-	58%	42%	14%

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Specific Objective	Outputs	West Wales and the Valleys				East Wales			
		Target	Project Forecast	Profiled to date	Achieved to date	Target	Project Forecast	Profiled to date	Achieved to date
SO3.3 To increase the take up of and attainment levels in STEM subjects amongst 11-19 year olds	Young People 11 -19 years of age - Male	8,400	2,160	1,280	1,691	n/a	n/a	n/a	n/a
	Young People 11 -19 years of age - Female	15,000	2,830	1,646	2,097	n/a	n/a	n/a	n/a
	Young People 11-19 years of age completing training in maths Science Engineering and Technology - Male	55%	63%	60%	45%	n/a	n/a	n/a	n/a
	Young People 11-19 years of age completing training in maths Science Engineering and Technology - Female	55%	34%	33%	20%	n/a	n/a	n/a	n/a
	11-19 years of age participants who continue to study a Maths Science Engineering and Technology subject post 16 - Male	45%	16%	9%	0%	n/a	n/a	n/a	n/a
	11-19 years of age participants who continue to study a Maths Science Engineering and Technology subject post 16 - Female	45%	4%	2%	0%	n/a	n/a	n/a	n/a
SO3.4 To increase the skills of the Early Years and Childcare workforce	Employed including self-employed Participants from early years and childcare sector - male	300	73	46	-	n/a	n/a	n/a	n/a
	Employed including self-employed Participants from early years and childcare sector - female	2,700	1,370	872	-	n/a	n/a	n/a	n/a
	Employed including self employed Participants from early years and childcare sector gaining qualifications upon leaving - Male	77%	77%	0%	0%	n/a	n/a	n/a	n/a
	Employed including self employed Participants from early years and childcare sector gaining qualifications upon leaving - Female	77%	76%	0%	0%	n/a	n/a	n/a	n/a

Source: WEFO, 31/07/2017

Overall, the performance on the priority continues to remain very positive with over 20,000 participants engaged to date.

Reducing NEET (SO3.1): Overall performance to date is positive and forecasts indicate the priority will achieve its aim of 28% into employment. Achieving these results is taking a longer than initially planned, largely due to the strength of the labour market and impact of working with a harder to reach cohort group. There has been a significant increase in the number of participants gaining qualifications, largely due to a high number of participants successfully exiting the Traineeship operations with qualifications.

At risk of NEET (SO3.2): Delivery of activity is progressing well and project performance information suggests operations are successfully targeting those most at risk of becoming NEET with multiple and complex barriers to engaging with education. Engagement and delivery of interventions to this cohort is however taking longer than anticipated. WEFO is working with the operation leads to explore the feasibility of increasing the intensity and effectiveness of support for participants. The overall targets in this area will be considered as part of the proposed programme modifications.

Take up of STEM subjects (SO3.3. WWV only): Progress against outputs continues to improve and as project activity intensifies achievement against some of the results is now showing. Low reporting against the continuing study of STEM subjects post 16 is largely down to timing of academic year. More information will be available from schools and colleges in September.

Early Years Childcare Workforce (SO3.4 WWV only): Delivery of activity is underway, but no indicators have been claimed to date. Performance management information from the operation lead shows good progress to date.

Priority 4: Technical Assistance

Table 10: EU Grant Commitment

	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ESF Approved		Operations	Indicative Allocation	ESF Approved	
Total Priority 4	6	£14m	£15m	109%	5	£3m	£3m	82%

Source: WEFO, 31/07/2017

Approvals since the last PMC

No approvals since previous PMC.

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

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

All TA operations have now been approved.

Section 1: WGRC-RDP Programme: Commitment

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

Table 1: Allocation, Spend & Commitment

£ Millions									
Allocation ¹		Committed ²				Spend ²			
TOTAL	EAFRD	TOTAL		EAFRD		TOTAL		EAFRD	
774	520	787	(102%)	521	(100%)	104	(13%)	76	(15%)

Source: WEFO, 31/07/2017

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

² Percentages show share of allocation

Overall Programme Update

The WGRC-RDP2014-2020 continues to make good progress since its approval on 26th May 2015.

The majority of schemes under the WGRC-RDP2014-2020 are delivered through grants/agreements managed through a competitive expression of interest (EOI) process. EOI windows are opened at pre-advertised times. This allows Welsh Government to meet EU requirements for competitive funding to ensure only the most appropriate and beneficial projects and activity go forward to application stage and approval. Exceptions to this include Farming Connect and The Rural Business Advisory Scheme, which are delivered through procured activity; LEADER; Technical Assistance and strategic direct applications to the Programme.

The first modification to the WGRC-RDP2014-2020 was formally approved on the 28th June 2017, changing the planning rate for the Programme from 0.85 to 0.8 with Programme allocations amended to £774.4m of which £519.6m EAFRD. With current commitments at £787.3m (£521m EU funding) this brings the Programme commitment value to just over 102%. Sections of the Programme are further advanced in delivery and project approvals than others; this is to be expected given the wide range of activities which can be supported through the programme and the current stage of programme delivery. Overall Programme spend to date is £104.2m (£76.4m EAFRD), of this £53m relate to Pillar I transfer payments. These values will further increase as applications under appraisal are approved. The Programme remains on track to achieve its N+3 target of €123.8m during 2018. Forecasts indicate we should reach the target by the end of 2017.

For the socio-economic schemes within the programme, a total of 519 successful EOIs and 118 direct applications have been invited to submit a full application. To date, 445 (EOI & direct) full applications have been received. A total of 235 (EOI & direct application) operations have been approved with an overall allocation,

including LEADER and direct applications of £184.2m. This will further increase over the coming months as a result of recent EOI windows.

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

Indicator Progress

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

The variances in reporting forecast and actuals against indicators targets for the programme is due to the differences in delivery for the land based and socio economic aspects of the programme. For those output targets not yet forecast, data should become available in the coming months, following the outcomes and approvals from EOI windows. Close monitoring of approved operations and agreements will be needed to ensure expected outcomes are delivered.

Full applications are submitted up to the funding window closing date and are processed as they are received. Future reports will show progress to date on spend and indicators of these full applications.

At present indicator data is not captured prior to the operation's delivery profile being completed. Work is ongoing to capture this data when the full application is submitted.

Section 2: Progress by Priority Axis

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

Table 2: Progress against indicators

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

source: WEFO, 31/07/2017

Priority 1

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

Overview: The contracts for the programme, known as Farming Connect, commenced on 1 October 2015, coinciding with the end of the previous service. The Knowledge Transfer Programme and the Advisory Service is delivered by Menter a Busnes. Lantra Wales leads on the delivery of the Lifelong Learning and Development Programme. Eligibility for the programme has broadened to enable more businesses and persons engaged in the agricultural and forestry sectors to participate.

Knowledge Transfer Programme: Activity focusses on improving environmental performance, production efficiency, profitability, and increasing business focused behaviour and attitudes through positive management practices. As part of the Knowledge Transfer Programme, a new, pan Wales Demonstration network has been set up, incorporating:

- Innovation sites, based in leading agri-academic sites within Wales.
- Demonstration sites, a network of long term sites looking at the integration of new technology and/or new approaches to management; raising standards of on-farm efficiency; decreasing inputs, increasing outputs; profitability.
- Focus sites, which demonstrate 'one-off' projects or trials on a wide range of topics.

The demonstration network consists of 8 Innovation sites, 12 Demonstration Farms and 68 Focus sites. Various projects are taking place on the sites for example cross-sector farms have been selected to take part in the 'Welsh Pasture Project'

which will measure and monitor weekly grass growth rates. Each farm uses a plate meter to collect measurements and will also take monthly samples for quality analysis. The farms will all measure the growth and quantity of available Dry Matter and they will identify and compare different ways of managing grass.

One to one Mentoring: This initiative has been developed to provide farmers and foresters with access to guidance and advice from their peers. The initiative has been designed to benefit new entrants, businesses considering a significant strategic change in direction and individuals looking to exit the industry who are considering share/contract farming possibilities. To date, 70 mentees have accessed the support on topics ranging from advice on grassland management, establishing an organic dairy enterprise and setting up a soft fruit farm.

Lifelong Learning and Development Programme: The aim is to deliver a more professional farming and forestry industry and it will be delivered through a combination of direct training and online e-learning provision. To date 1,455 beneficiaries have completed and claimed for accredited training since October 2015. 26 e-learning modules are available and 2,122 instances of e-learning have been completed to date. E-learning topics range from health & safety, farm finance and farm liver fluke management. 2,862 individual Personal Development Plans have been completed to date.

Advisory Service: The advisory service provides independent, bespoke, one to one and group advice to improve the sustainable management and the economic and environmental performance of farming and forestry businesses operating in rural areas.

To date 703 one-to-one applications have been approved for the service since December 2016 and 332 applications for group advice. The demand for group advice has significantly risen in the last three months following the 'Farming for the Future' Roadshow which was arranged under Measure 1 and promoted the new Farm Business Grant. Individuals have 9 months to claim for funding from the application approval date, therefore it is predicted that the spend profile for Measure 2 will increase significantly in the forthcoming months.

Venture: Venture is designed to help match farmers and landowners who are looking to step back from the industry with new entrants looking for a way into farming. It guides people on both sides through the key steps required to find a potential business partner. An integrated package of training, mentoring, specialist advice and business support will equip participants with the skills, knowledge and confidence needed to help them achieve their goals.

To date 87 new entrants and 59 established farmers have expressed an interest in the programme.

Individuals who have found potential business partners are now proceeding to apply for group advice through the advisory service and further legal guidance where necessary. Welsh Government has identified 27 potential matches to date all of which are at various stages in the Venture process.

General Comments: Welsh Government has received claims from contractors amounting to £6.3m for Measure 1 and £0.5m relating to Measure 2. It is anticipated that these claims should be paid before the end of August 2017 and relate to delivery between 1 September 2015 and 30 April 2017. The reason why payments have not been made to date is due to the multiple focus area fix that was required on PPIMS.

The second claims will cover 01 May 2017 to 30 June 2017. The estimated forecasted value of this claim is £0.9m for Measure 1 and £0.2m for Measure 2. These claims are likely to be paid later this year. Contractors cannot submit these claims on PPIMS until the first claims have been made.

European Innovation Programme Wales – Measure 16.1

EIP Wales was launched in January 2016 and applications continue to be invited from those interested in solving problems common to their Group. Groups are supported by the Farming Connect Knowledge Exchange Hub, collaboration between Farming Connect and IBERS, Aberystwyth University.

The Hub assists the Groups by undertaking background literature searches into their proposed topic to gain a better understanding of what is already known about the topic and to inform the project of any gaps in the information that may need to be investigated. The Hub also provides support and guidance on project designs and will work with the Groups throughout the lifetime of the projects to assist with the project outcomes and dissemination.

The Operational Groups are also able to seek support from an Innovation Broker. The Innovation Brokers are fully funded via the Farming Connect Advisory Service and provide guidance and support to the Operational Group throughout the application process.

The application process has been reviewed and some significant changes have been made that should make the process straightforward, allow project activities to start much more quickly thereby allowing commitments to be made under the scheme.

Menter a Busnes has submitted an application to take on the responsibility for supporting the delivery of the EIP projects which means they will hold the funding for all EIP Groups and pay eligible costs that are required for projects to be delivered. Menter a Busnes will issue a funding agreement letter to the Group which will outline the project that is to be delivered and the expected costs up to the limit of £40,000 per group.

The existing applications with Scheme Management Unit have been cancelled and formal rejection letters have been issued, along with an explanation of the change in delivery model.

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

Table 3: Progress against indicators

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

source: WEFO, 31/07/2017

Focus Area 2a

Sustainable Production Grant (SPG) Scheme – Measure 4.1

The Sustainable Production Grant (SPG) scheme under Measure 4.1 provides capital investment support to help farmers improve the economic and environmental performance of their agricultural holding in line with the Welsh Government's and agriculture industry in Wales' vision for more sustainable, profitable and resilient farm businesses. Grants represent a 40% contribution and can range from a minimum of £16k to a maximum of £400k to increase on-farm investment, production and resource efficiencies to improve technical performance.

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

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

Expressions of Interest (EOI): To date 79 successful EOIs have been invited to submit full applications under Priority 2 (Focus Area 2a) Sustainable Production Grant (SPG representing a total grant commitment at EOI of £14.6m).

Of these:

- 28 full applications are in appraisal, totalling a grant commitment of £5.6m
- 5 have yet to be submitted, representing a grant commitment of £0.5m
- 41 have been approved, with a total grant value of £7.7m, of which 25 have accepted (£4.8m)
- 5 have been withdrawn/rejected, a grant value of £1.2m

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

Of the ten direct applications there are;

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

Of those eight direct applications approved there are:

- 7 Farming Connect applications
- 1 Rural Business Advisory Service (RBAS) application

Of the two direct applications not yet been submitted:

- 1 Sustainable Production Grant application
- 1 Farming Connect application

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

Table 4: Progress against indicators

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

source: WEFO, 31/07/2017

Focus Area 3a

Expression of Interest: To date 103 successful EOIs have been invited to submit full applications under Priority 3 (Focus Area 3a) of the Programme. Thirteen have withdrawn or been rejected, leaving a total grant commitment at EOI of £37.5m.

Of these 51 full applications are in appraisal or have been approved and 39 have yet to be submitted, representing a total grant commitment of £37.5m of which:

- Four EOI windows have opened for the Cooperation & Supply Chain Development Scheme: 6 applications have been approved (£1.8m); 6 have been rejected (£1.4m);
- Four EOI windows have opened since Food Business Investment Scheme launched: with 18 applications are under appraisal (£9.4m); 27 applications have been approved (£24.6m), of which 25 have accepted (£22.9m); 39 applications have yet to be received (£1.6m) and 7 have been rejected (£1.0m);

Direct Applications: Five direct applicants have submitted full applications for the Knowledge Transfer & Innovation Scheme under Measure 1.1. Four have been approved, with a total grant commitment of £22.2m. This includes Project Helix with a value of £21.9m.

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

Table 5: Progress against indicators

Priority	Measure	Outputs	Target	Forecast	Achieved to date	% Achieved
Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry (agricultural land)	1.1	training/skills acquisition - Nr of participants in trainings	1,040	1,040	0	0%
	1.1	Number of training days given	832	832	0	0%
	1.1	training/skills acquisition - Total public for training/skills (£'m)	£0.3m	£0.3m	£0.0m	0%
	1.2	Nr of demonstration operations / information actions supported	145	145	0	0%
	1.3	Nr of farm exchanges operations supported	4	4	0	0%
	1.1 -1.3	Total public expenditure € (trainings, farm exchanges, demonstration) (£'m)	£3.5m	£4.4m	£0.0m	0%
	2.1	Nr of beneficiaries advised	3,344	758	0	0%
	2.3	Nbr of advisor trained	67	67	0	0%
	2.1 - 2.3	Total public expenditure (£'m)	£4.0m	£2.2m	£0.0m	0%
	4.4	Nr of operations of support for non productive investment (4.4)	14,590	9,453	255	2%
	4	Total investment (public + private) (£'m)	£86.0m	£107.0m	£1.0m	1%
	4	Total public expenditure (£'m)	£86.0m	£107.0m	£1.0m	1%
	8.1	Area (ha) to be afforested (establishment only- 8.1)	2,498	2,000	314	13%
	8.1	Total public expenditure (8.1) (£'m)	£14.3m	£10.6m	£1.3m	9%
	8.2	Area (ha) to be established in agro-forestry systems (8.2)	50	50	1	2%
	8.2	Total public expenditure (8.2) (£'m)	£0.03	£0.2m	£0.0m	7%
	10.1	Total Area (ha) under agri-environment-climate (10.1)	1,417,210	0.00		0%
	10.1	Physical Area (ha) under agri-environment-climate (10.1)	635,399	528,010	676,469	106%
	10.1	Number of contracts supported	7,338	7,338	6,877	94%
	10.1	Total public expenditure (10.1+10.2) (£'m)	£184.7m	£230.1m	£39.3m	21%
	11.1	Number of holdings supported	201	201	147	73%
	11.1	Area (ha) conversion to organic farming	11,153	11,153	15,018	135%
	11.2	Number of holdings supported	341	341	446	131%
	11.2	Area (ha) maintenance of organic farming	57,287	57,287	57,544	100%
	11	Total public expenditure (£'m)	£21.2m	£21.2m	£3.9m	19%
	16	Number of cooperation operations supported (non EIP)	25	0	0	0%
	16	Total public expenditure (£'m)	£7.6m	£0.4m	£0.0m	0%

source: WEFO, 31/07/2017

Priority	Measure	Outputs	Target	Forecast	Achieved to date	% Achieved
Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry (forest area)	1.1	training/skills acquisition - Nr of participants in trainings	130	130	0	0%
	1.1	Number of training days given	104	104	0	0%
	1.1	training/skills acquisition - Total public for training/skills (£'m)	£0.03m	£0.04m	£0.0m	0%
	1.2	Nr of demonstration operations / information actions supported	18	18	0	0%
	1.3	Nr of farm exchanges operations supported	1	1	0	0%
	1.1 -1.3	Total public expenditure € (trainings, farm exchanges, demonstration) (£'m)	£0.4m	£0.4m	£0.0m	0%
	2.1	Nr of beneficiaries advised	851	51	0	0%
	2.3	Nbr of advisor trained	4	4	0	0%
	2.1 - 2.3	Total public expenditure (£'m)	£1.2m	£0.1m	£0.0m	0%
	8.3	Nr of beneficiaries for preventive actions (8.3)	1	0	0	0%
	8.3	Area supported (ha)	76,000	0	0	0%
	8.3	Total public expenditure (£'m)	£0.3m	£0.0m	£0.0m	0%
	8.4	Nr of beneficiaries supported	61	0	47	77%
	8.4	Area supported (ha)	594	0	358	60%
	8.4	Total public expenditure (£'m)	£1.3m	£0.0m	£0.8m	57%
	8.5	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	403	501	149	37%
	8.5	Areas concerned by investments improving resilience and environmental value of forest ecosystems (8.5)	9,445	7,000	335	4%
	8.5	Total public expenditure (£'m)	£4.1m	£5.6m	£0.5m	13%
	15.1	Number of contracts supported	70	0	0	0%
	15.1	Areas under forest environment contract	700	0	0	0%
	15.1	Total public expenditure (£'m)	£0.3m	£0.0m	£0.0m	0%
	16	Number of cooperation operations supported	10	0	0	0%
	16	total public expenditure (£'m)	£3.4m	£0.1m	£0.0m	0%

source: WEFO, 31/07/2017

Priority 4

The update for this Priority focusses on progress under Glastir to date. It should be noted that the narrative here also addresses Focus Areas 5d and 5e of Priority 5. Further detail is given below.

Glastir addresses the following Focus Areas:

- Glastir Entry and Advanced - Focus Areas 4a, 4b, 5d and 5e.
- Glastir Commons - Focus Area 4a.
- Glastir Organic - Focus Area 4c.
- Glastir Small Grants – Focus Areas 4a (Landscape and Pollinator theme), 4b (Water Quality theme) and 5e (Carbon theme).
- Glastir Woodland Creation - all of the Priority 4 Focus Areas and Focus Area 5e.

- Glastir Woodland Management and Restoration - Focus Areas 4a and 5e.

Measure 4.4 supports non-productive investments in Glastir Advanced and the stand-alone Glastir Small Grants (GSG). To date, three rounds of GSG have been run, addressing one of three themes in each round. The first round was themed 'Carbon' and addressed Focus Area 5e. There were 819 projects approved for 353 participants, with a value of £1.658m.

The second round was themed 'Water Quality' and addressed Focus Area 4b with 2,468 projects approved for 516 participants, with a value of £2.0m.

The third round was themed 'Landscape and Pollinators' and addressed Focus Area 4a. A total of 790 projects were approved under this round to 252 participants, with a value of £1.6m.

Measure 10.1 – This includes Glastir Entry, Advanced and Commons schemes. It also includes multi-annual, area-based payments for existing farm woodlands in Glastir Woodland Management (GWM) and has seen total expenditure of £28.2m. The number of contracts under Measure 10.1 stands at 6,877 covering an area of 676,469ha. Glastir Entry has achieved a total of 4,603 contracts, amounting to a total area of 543,496ha against a forecast area of 548,750ha. No further Entry contract offers will be made, as the Welsh Government considers that more targeted interventions, such as those in Glastir Advanced and, now, Glastir Small Grants are more appropriate to achieve its objectives. Glastir Entry participants whose contracts end in December will have the opportunity to apply to Glastir Small Grants, a capital scheme funded through Measure 4.4 that addresses Priority 4 Focus Areas 4a and 4b, as well as Priority 5 Focus Areas 5d and 5e.

Measures 10.1 & 4.4 – Glastir Advanced now comprises 2,403 contracts, of which 895 are stand-alone contracts, 1,508 contracts underpinned by Glastir Entry and a further 79 contracts in Glastir Commons. Expenditure under this RDP has been £13.9m for Measure 4.4 and £16.9m for Measure 10.1.

An EOI window for applications for Glastir Advanced 2018 contracts opened on 28 February and closed on 31 March 2017. The forecast value for the Glastir Advanced 2018 EOI window is £18.4m. A total of 380 EOIs have been selected to receive Contract Manager Visits during the remainder of this year, with a further 80 on the reserve list. We anticipate around 340 contracts.

Measure 10.1 – Glastir Commons - no change from previous report.

Measure 11 – Glastir Organic - no change from previous report.

Measure 8.1 & 8.2: Glastir Woodland Creation has seen the establishment of 507ha of new woodland creation. The majority has been established under Measure 8.1 – Afforestation and creation of woodland, with only 1ha under Measure 8.2 – Agro-forestry. Total expenditure to date has been £2.1m. First claims for

maintenance and income foregone have been received via SAF2017. Claims will be processed in February 2018.

A third round for GWC, with a budget of £1.7m, was opened on 30 August and closed on 14 October 2016, where 95 EOIs were received with a total planting area of 787.45ha submitted and a capital value of £2.8m. A selection process was undertaken to remain within the allocated budget and 66 EOIs were invited to submit woodland creation plans. 48 Woodland Creation Plans have been received.

A fourth round for GWC, with a budget of £1.7m, was opened on 20 March and closed on 1 May 2017, where 103 EOIs were received with a total planting area of 1,214ha submitted and a capital value of £4.0m. A selection process has been undertaken to remain within the allocated budget and 63 EOIs have been invited to submit Woodland Creation Plans

A fifth GWC round commenced 31 July and will close on 25 August 2017.

Figures given under Priority 4 table for hectares supported and expenditure under Measure 8.1 have reduced due to correction of previous data given. The values in the last report incorrectly showed data under Priority 4 which should have been recorded under Focus Area 5e.

Measure 8.5 – Glastir Woodland Management includes only legacy contracts from the previous RDP and is paid through Measure 8.5 for capital payments and Measure 10.1 for multi-annual, area-based payments. Presently, there are 268 extant contracts, with expenditure under this RDP amounting to £2.1m for Measure 8.5.

Measure 8.4: Glastir Woodland Restoration supports the re-stocking of larch woodlands that have been infected or threatened by the fungal pathogen *Phytophthora ramorum*.

To date, expenditure has been £1.3m under the first four windows, giving an area of 566ha of woodland that has undergone restoration.

A fifth round for GWR, with a budget of £1.0m was opened on 05 June and closed on 30 June 2017. 63 EOIs were received with a total re-stocking area of 442ha submitted and a capital value just under £1.0m. For this round of GWR, a management planning grant will be offered to enable the condition of a PAWS to be expertly ascertained and a re-stock mixture applied that is dependant on the site's ability to recover, rather than where it is located.

Measure 2.1 – Under the Advisory Support programme, Glastir intends to use advisory support to have water management plans carried out and woodland plans verified against the UK Forestry Standard by Natural Resources Wales (NRW). It also needs to use the expertise of Wales' archaeological trusts to give Contract

Managers advice on the most suitable management for Glastir Advanced contracts. To date, no funding has been awarded.

Furthermore, the report of the Glastir Advanced Independent Evaluation panel made a number of recommendations including Contract Managers need more high quality guidance, support and training and Contracts need more follow up visits and advice. To this end, the Welsh Government began procuring a service that could fulfil the remit of these recommendations. Given the current uncertain situation regarding future funding and to ensure there is no further lag in the delivery of this important strand of advisory provision, the Welsh Government has decided to use the Glastir Advanced Contract Manager resource to carry out servicing visits. Options for the provision and procurement of specialist advice to contract managers are still being considered.

Measure 16.5 – To date the Sustainable Management Scheme (SMS) has 24 successful EOIs have been invited to submit full applications to the Sustainable Management Scheme, a total grant commitment of £11.1m. Nineteen full applications have been invited to submit under the European Innovation Partnership. Total grant commitment is not yet available for EIP.

Measures 1, 2 & 16.1: Progress under Farming Connect and EIP can be found under Priority 1 update.

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

Table 6: Progress against indicators

Focus Area	Measure	Outputs	Target	Forecast	Achieved to date	% Achieved
FA 5(b) Increasing efficiency in energy use in agriculture and food processing	1.1	training/skills acquisition - Nr of participants in trainings	260	260	0	0%
	1.1	Number of training days given	208	208	0	0%
	1.1	training/skills acquisition - Total public for training/skills (£'m)	£66k	£0.08m	£0.0m	0%
	1.2	Nr of demonstration operations / information actions supported	36	36	0	0%
	1.3	Nr of farm exchanges operations supported	1	1	0	0%
	1.1 -1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£0.9m	£1.11	£0.0m	0%
	2.1	Nr of beneficiaries advised	83	83	0	0%
	2.3	Nbr of advisor trained	1	7	0	0%
	2.1 - 2.3	Total public expenditure (£'m)	£0.2m	£0.24m	£0.0m	0%
	4.1, 4.2 & 4.3	Nr of operations s supported for investment (in agricultural holdings, in processing and marketing of ag. products) (4.1, 4.2 and 4.3)	286	0	0	0%
	4	Total investment (public + private) (£'m)	£16.5m	£0.0m	£0.0m	0%
	4	Total public expenditure (£'m)	£6.6m	£0.0m	£0.0m	0%
	16	Number of cooperation operations supported (non EIP)	0	0	0	N/A
	16	total public expenditure (£'m)	£0.2m	£0.2m	£0.0m	0%

source: WEFO, 31/07/2017

Focus Area 5b

Farming Connect (Measures 1 and 2), the Sustainable Production Grant (Measure 4.1) and EIP under Measure 16.1 are all programmed under Focus Area 5b.

Progress under Farming Connect and EIP can be found under Priority 1. An update on the Sustainable Production Grant can found under Priority 2. Progress under Sustainable Production Grant can be found under Priority 4.

Focus Area	Measure	Outputs	Target	Forecast	Achieved to date	% Achieved
FA 5(c) Facilitating the supply and use of renewable sources of energy, or by-products, wastes, residues and other non-food raw material for purposes of the bio-economy	1.1	training/skills acquisition - Nr of participants in trainings	260	260	0	0%
	1.1	Number of training days given	208	208	0	0%
	1.1	training/skills acquisition - Total public for training/skills (£'m)	£66k	£0.08m	£0.0m	0%
	1.2	Nr of demonstration operations / information actions supported	36	36	0	0%
	1.3	Nr of farm exchanges operations supported	1	1	0	0%
	1.1 -1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£0.9m	£1.11m	£0.0m	0%
	2.1	Nr of beneficiaries advised	66	66	0	0%
	2.3	Nbr of advisor trained	1	6	0	0%
	2.1 - 2.3	Total public expenditure (£'m)	£0.2m	£0.19m	£0.0m	0%
	7.2	Nr of operations supported for investments of small scale infrastructure, incl. investments in renewable energy and energy saving (7.2)	197	0	0	0%
	7	Total investment (public + private) (£'m)	£18.4m	£0.0m	£0.0m	0%
	7	Total public expenditure (£'m)	£15.4m	£0.0m	£0.0m	0%
	8.5	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	5	0	0	0%
	8.5	Areas concerned by investments improving resilience and environmental value of forest ecosystems	355	0	0	0%
	8.5	Total public expenditure (£'m)	£0.01	£0.00m	£0.0m	0%
	8.6	Nr of operations for investments in forestry technology and primary processing/marketing (8.6)	100	0	0	0%
	8.6	Total investment (public + private) (£'m)	£16.7m	£0.0m	£0.0m	0%
	8.6	Total public expenditure (£'m)	£6.7m	£0.0m	£0.0m	0%
	16	Number of cooperation operations supported (non EIP)	105	0	0	0%
	16	total public expenditure (£'m)	£0.9m	£0.1m	£0.0m	0%

source: WEFO, 31/07/2017

Focus Area 5c

Schemes under Focus Area 5c include Rural Community Development Fund (RCDF) under Measure 7.2, Timber Business Investment Scheme (TBIS) under Measure 8.6, Cooperative Forest Planning under Measure 16.8 and the Cooperation & Supply Chain Development Scheme through Measure 16.

Progress for the Glastir schemes delivering under Priority 5 (Focus Areas 5c - Glastir Organic) and 5d & 5e (all other elements of Glastir)) can be found under Priority 4. Progress under Farming Connect and EIP can be found under Priority 1.

Expression of Interest: To date six successful EOIs have been invited to submit full applications under Priority 5 (Focus Area 5c), a total grant commitment of £0.6m. Of

these one full application is in appraisal, three have yet to be submitted and two have since been rejected.

Focus Area	Measure	Outputs	Target	Forecast	Achieved to date	% Achieved
FA 5(d) Reducing nitrous oxide and methane emissions from agriculture	1.1	training/skills acquisition - Nr of participants in trainings	260	260	0	0%
	1.1	Number of training days given	208	208	0	0%
	1.1	training/skills acquisition - Total public for training/skills (£'m)	£66k	£0.08m	£0.0m	0%
	1.2	Nr of demonstration operations / information actions supported	36	36	0	0%
	1.3	Nr of farm exchanges operations supported	1	1	0	0%
	1.1 -1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£0.9m	£1.1m	£0.0m	0%
	2.1	Nr of beneficiaries advised	988	588	0	0%
	2.3	Nbr of advisor trained	7	52	0	0%
	2.1 - 2.3	Total public expenditure (£'m)	£1.8m	£1.7m	£0.0m	0%
	4.1, 4.3 & 4.4	Nr of operations supported for investment (e.g. manure storage, manure treatment) (4.1, 4.4 and 4.3)	4,893	150	15	0%
	4	Total investment (public + private) (£'m)	£8.3m	£0.09m	£0.0m	0%
	4	Total public expenditure (£'m)	£3.4m	£0.09m	£0.0m	1%
	10.1	Area (ha) (e.g. green cover, catch crop, reduced fertilisation, extensification...)	59,807	59,807	0	0%
	10.1	Total public expenditure (£'m)	£9.4m	£11.67m	£0.0m	0%
	16	Number of cooperation operations supported (non EIP)	0	0	0	N/A
	16	total public expenditure (£'m)	£0.2m	£0.2m	£0.0m	0%

source: WEFO, 31/07/2017

Focus Area 5d

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

Focus Area	Measure	Outputs	Target	Forecast	Achieved to date	% Achieved
FA 5(e) Fostering carbon sequestration in agriculture and forestry	1.1	training/skills acquisition - Nr of participants in trainings	260	260	0	0%
	1.1	Number of training days given	208	208	0	0%
	1.1	training/skills acquisition - Total public for training/skills (£'m)	£66k	£0.08m	£0.0m	0%
	1.2	Nr of demonstration operations / information actions supported	36	36	0	0%
	1.3	Nr of farm exchanges operations supported	1	1	0	0%
	1.1 -1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£0.9m	£1.1m	£0.0m	0%
	2.1	Nr of beneficiaries advised	786	76	0	0%
	2.3	Nbr of advisor trained	1	7	0	0%
	2.1 - 2.3	Total public expenditure (£'m)	£1.1m	£0.22	£0.0m	0%
	4.4	Nr of operations of support for non productive investment (4.4)	4,900.00	151.00	719.00	15%
	4	Total investment (public + private) (£'m)	£0.3m	£0.36m	£0.9m	318%
	4	Total public expenditure (£'m)	£0.3m	£0.36m	£0.9m	318%
	8.1	Area (ha) to be afforested	832	832	147	18%
	8.1	Total public expenditure (8.1) (£'m)	£5.9m	£4.43m	£0.7m	11%
	8.2	Area (ha) to be established in agro-forestry systems (8.2)	50	50	0	0%
	8.2	Total public expenditure (8.2) (£'m)	£0.03	£0.20m	£0m	0%
	8.3	Nr of beneficiaries for preventive actions	1	0	0	0%
	8.3	Area supported (ha)	225,000	0	0	0%
	8.3	Total public expenditure (8.3) (£'m)	£0.8m	£0.0m	£0.0m	0%
	8.4	Nr of beneficiaries supported	184	184	0	0%
	8.4	Area supported (ha)	1,781	1,781	0	0%
	8.4	Total public expenditure (8.4) (£'m)	£4.0m	£4.02m	£0.0m	0%
	8.5	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	393	393	30	8%
	8.5	Areas concerned by investments improving resilience and environmental value of forest ecosystems	4,900	3,000	0	0%
	8.5	Total public expenditure (8.5) (£'m)	£2.6m	£2.72m	£0.0m	0%
	10.1	Physical Area (ha) under agri-environment-climate for carbon sequestration	3,022	1,140	0	0%
	10.1	Total public expenditure (£'m)	£0.8m	£1.06m	£0.0m	0%
	16	Number of cooperation operations supported (non EIP)	200	0	0	0%
	16	total public expenditure (£'m)	£0.5m	£0.2m	£0.0m	0%

source: WEFO, 31/07/2017

Focus Area 5e

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

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

Table 7: Progress against indicators

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

source: WEFO, 31/07/2017

Focus Area 6a

Schemes programmed under Focus Area 6a include Rural Business Investment Scheme – Food (Measure 6.4), Tourism Investment Support Scheme (Measure 6.4), Glastir Woodlands (Measure 8.5), Timber Business Investment Scheme (Measure 8.6), Cooperative Forest Planning (Measure 16.8) and Co-operation & Supply Chain Development Scheme under Measure 16.

Expression of Interest: To date 59 successful EOIs have been invited to submit full applications under Focus Area 6a, a total grant commitment at EOI of £3.8m. Of these:

- 8 full applications are in appraisal and 38 have yet to be submitted, representing a grant commitment of £2.4m.
- 6 have been approved, with a total grant value of £0.6, of which 5 have accepted (£0.6m).
- 7 with a grant value of £0.6m have been rejected or withdrawn.

Direct Applications: Two direct applicants have been invited to submit full applications. Both have been approved, with a total grant value of £11.9m, of which 1 has accepted (£10.0m).

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

source: WEFO, 31/07/2017

Focus Area 6b

The Rural Community Development Fund under Measure 7, Co-operation & Supply Chain Development Scheme under Measure 16 and LEADER are all delivered under Focus Area 6b.

Expressions of Interest: To date 241 successful EOIs have been invited to submit full applications under Focus Area 6b, with a total grant commitment at EOI of £39.4m.

Of these:

- 41 full applications are in appraisal and 94 have yet to be submitted, representing a grant commitment of £20.4m
- 60 have been approved, a total grant value of £12.6, of which 45 have accepted (£11.0m)
- 46 have been rejected with a value of £6.9m

Of the above:

- Cooperation & Supply Chain Development Scheme: 4 applications are under appraisal (£3.4m); 20 applications have been approved (£8.5m); 6 applications are yet to be received (£3.7m) and 7 have been rejected/withdrawn (£3.2m)
- Rural Community Development Fund: 36 applications are under appraisal (£3.2m); 39 applications have been approved (£4.0m), of which 26 have accepted (£2.7m); 88 applications are yet to be received (£9.1m) and 39 have been rejected/withdrawn (£3.7m).

Direct Applications: Eighty-one direct applicants have been invited to submit full applications, a total grant commitment at EOI of £103.6m.

Of these:

- 1 full application is in appraisal representing a grant commitment of £2.7m.
- 2 have been withdrawn (£36.0m)
- 78 have been approved with a grant value of £71.6m

Of the above:

- 75 full applications have been submitted by the 18 LAGs for LEADER under Measures 19.1, 19.2, 19.3 & 19.4 and have been approved with a total grant value of £47.6m.
- 1 full applications for C&SCDS under Measures 16.2 & 16.3 are under appraisal (£2.7m); 2 have been approved (£19.9m); and 2 have been withdrawn (£36.0m);
- 1 full application for RCDF under Measure 7.5 has been submitted and approved with a total grant value of £4.0m.

Focus Area	Measure	Outputs	Target	Forecast	Achieved to date	% Achieved
FA 6(c) Enhancing accessibility to, use and quality of information and communication technologies (ICT) in rural areas	1.1	training/skills acquisition - Nr of participants in trainings	130	130	0	0%
	1.1	Number of training days given	104	104	0	0%
	1.1	training/skills acquisition - Total public for training/skills (£'m)	£33k	£0.0m	£0.0m	0%
	1.1 -1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£0.4m	£0.6m	£0.0m	0%
	7.3	Nr of operations for investments in broadband infrastructure and access to broadband. incl e-government services (7.3)	49	0	0	0%
	7.3	Population benefiting from new or improved IT infrastructures (e.g. broadband internet)	500,000	0	0	0%
	7.3	Total public expenditure (£'m)	£2.5m	£0.06m	£0.0m	0%

source: WEFO, 31/07/2017

Focus Area 6c

The Rural Community Development Fund (RCDF) under Measure 7.3 is delivered under Focus Area 6c. Progress under Farming Connect Measure 1 can be found under Priority 1 update.

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

Of these two full applications are in appraisal (£0.2m) and three have yet to be submitted (£0.2m).

One application has been approved, with a total grant value of £0. 6m, and one has been withdrawn (£0.2m).

Annex 4: Structural Funds: Approved Operations List

Programme	West Wales and the Valleys ERDF	Source: WEFO, 31/07/2017
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Priority	Lead Beneficiary	Operation Title	Total investment (£m)	EU Grant Commitment (£m)
1	Aberystwyth Innovation and Enterprise Campus Ltd	Aberystwyth Innovation and Enterprise Campus (AIEC)	35.5	20.0
		Aberystwyth University	12.0	7.9
		Bangor University	20.2	10.2
	Cardiff University	SEACAMS 2	17.1	12.0
		FLEXIS West	14.6	9.6
		Supercomputing Wales WWV	8.0	5.3
	Swansea University	ASTUTE 2020	14.7	10.0
		Computational Foundry	25.9	17.1
		IMPACT	35.0	17.4
		SPECIFIC	26.3	15.0
		AgorIP West Wales and the Valleys	13.5	4.7
		Solar Photovoltaic Academic Research Consortium (SPARC II)	7.2	4.8
		Advanced Engineering and Materials Research Institute	12.9	7.5
		CEMET Centre of Excellence in Mobile and Emerging Technology WWV	6.5	4.3
		Ser Cymru II (West Wales and the Valleys)	20.6	14.7
		SMART Expertise (West Wales and the Valleys)	33.8	21.2
		SMARTCymru (West Wales and the Valleys)	34.0	15.1
		SMARTInnovation (West Wales and the Valleys)	11.3	7.5
			349.1	204.2
	2	Finance Wales Plc	149.6	74.8
	Wales Co operative Centre	Wales Business Fund (Supported by ERDF) WWV 2.1 FI	41.4	20.7
		Wales Business Fund (Supported by ERDF) WWV 2.5 FI	8.9	5.2
		Social Business Wales West Wales and the Valleys	3.0	1.8
		Social Business Growth Fund WWV	31.0	18.6
		Entrepreneurship Support - Business Wales (West Wales)	33.3	20.0
		SME Support - Business Wales (West Wales and The Valleys)	8.6	5.2
		Superfast Broadband Business Exploitation West Wales and Valleys		
	WG - Department for Economy, Science and Transport		275.8	146.4
	3	Bridgend County Borough Council	9.4	6.5
	Marine Power Systems Limited	Caerau Smart Heating	3.5	2.4
		WaveSub	5.6	4.2
	Menter Mon	MorlaisTidal Energy Zone Development	24.2	10.5
	Minesto UK LTD	Deep Green	0.4	0.3
	Wave Hub Limited	South Pembrokeshire Wave Energy Demonstration Zone - Feasibility	5.9	4.1
	Wave-Tricity Limited	Ocean Wave Rower	28.4	19.7
	WAG The Economic Development Group within DEandT	Arbed 3 WWV	1.8	1.1
	Pembrokeshire Coastal Forum CiC	Marine Energy Test Area META		
			79.2	48.8
	4	Aberystwyth University	4.2	3.0
	Conwy County Borough Council	Vet Hub 1	3.6	1.5
		Penmaen Road Employment Site Conwy Morfa	5.3	2.5
	Neath Port Talbot County Borough Council	Port Talbot Transport Hub	5.3	3.5
		Harbourside Strategic Employment Site	20.0	7.0
	WG - Department for Economy, Science and Transport	Property Infrastructure Fund	20.8	11.6
		Strategic Employment Sites	21.1	13.8
		Superfast Broadband Infill West Wales and Valleys	84.8	27.7
		Tourism Attractor Destinations	9.2	6.0
		Ultrafast Broadband West Wales and Valleys		

Annex 4: Structural Funds: Approved Operations List

Programme	West Wales and the Valleys ERDF	Source: WEFO, 31/07/2017
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Priority	Lead Beneficiary	Operation Title	Total investment (£m)	EU Grant Commitment (£m)
		Wales Station Improvement Programme Phase 2	22.1	16.4
		A55 Abergwyngregyn to Tai'r Meibion	22.4	14.9
		A55 Junctions 15 and 16	40.0	26.3
		Property for Business Development Grant (PBDG)	20.0	7.0
		A40 Llanddewi Velfrey to Penblewin	35.0	23.0
	WG - Department of Local Government and Communities	Building for the Future	112.6	38.0
	Isle of Anglesey County Council	Llangefni Strategic Employment Site	8.6	4.2
4 Total			434.9	206.5
5	Bridgend County Borough Council	South East Regional Engagement Team ERDF WWV	0.4	0.3
	Carmarthenshire County Council	Swansea Bay Regional Engagement Team ERDF	0.6	0.5
	Ceredigion County Council	Mid Wales Regional Engagement Team ERDF WWV	0.3	0.3
	Conwy County Borough Council	North Wales Regional Engagement Team ERDF WWV	0.5	0.3
	Wales Council for Voluntary Action	IB and 3-SET ERDF WWV	2.4	1.3
	WG - Department for Economy, Science and Transport	IB WG E and I TA Revenue WWV	3.4	3.0
	WAG DEandT WEFO	WEFO TA ERDF WWV	19.7	13.3
5 Total			27.5	19.0
Approved Total			1,166.5	624.9

Annex 4: Structural Funds: Approved Operations List

Programme	East Wales ERDF	Source: WEFO, 31/07/2017
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Priority	Lead Beneficiary	Operation Title	Total investment (£m)	EU Grant Commitment (£m)
1	Cardiff University	Cardiff University Brain Research Imaging Centre II (CUBRIC II	16.2	4.6
		FLEXIS East	9.8	5.6
		Institute for Compound Semiconductor	32.7	13.1
		Supercomputing Wales East Wales	6.7	3.7
	WG - Department for Economy, Science and Transport	Ser Cymru II (East Wales)	18.5	8.0
		SMART Expertise (East Wales)	17.5	9.1
		SMARTCymru (East Wales)	29.4	12.3
		SMARTInnovation (East Wales)	7.6	3.8
1 Total			138.3	60.2
2	Finance Wales Plc	Wales Business Fund (Supported by ERDF) EW 2.1 FI	22.3	9.9
		Wales Business Fund (Supported by ERDF) EW 2.5 FI	12.7	5.5
	Wales Co operative Centre	Social Business Wales East Wales	2.2	1.1
	Wales Council for Voluntary Action	Social Business Growth Fund EW	1.0	0.5
	WG - Department for Economy, Science and Transport	Entrepreneurship Support - Business Wales (East Wales)	10.3	6.2
		SME Support - Business Wales (East Wales)	11.1	6.7
		Superfast Broadband Business Exploitation East Wales	3.5	1.7
2 Total			63.2	31.6
3	WAG The Economic Development Group within DEandT	Arbed 3 EW	7.1	3.6
3 Total			7.1	3.6
4	WG - Department for Economy, Science and Transport	Superfast Broadband Infill East Wales	14.2	7.1
		Ultrafast Broadband East Wales	4.4	2.2
4 Total			18.6	9.3
5	Bridgend County Borough Council	South East Regional Engagement Team ERDF EW	0.1	0.0
	Ceredigion County Council	Mid Wales Regional Engagement Team ERDF EW	0.1	0.0
	Conwy County Borough Council	North Wales Regional Engagement Team ERDF EW	0.1	0.0
	Wales Council for Voluntary Action	IB and 3-SET ERDF EW	0.6	0.3
	WG - Department for Economy, Science and Transport	IB WG E and I TA Revenue EW	2.8	0.8
	WAG DEandT WEFO	WEFO TA ERDF EW	3.4	1.7
5 Total			7.1	2.9
Approved Total			234.2	107.5

Annex 4: Structural Funds: Approved Operations List

Programme **West Wales and the Valleys ESF** Source: WEFO, 31/07/2017

Priority	Lead Beneficiary	Operation Title	Total investment (£m)	EU Grant Commitment (£m)
1	Conwy County Borough Council	OPUS (WWV)	5.9	4.8
	Neath Port Talbot County Borough Council	Workways II	9.1	7.5
	SOVA	Sova - Achieving Change through Employment -ACE	1.5	1.1
	Torfaen County Borough Council	Bridges2Work	11.0	8.5
	Wales Council for Voluntary Action	Active Inclusion Wales	16.5	11.6
	WG - Department for Education and Skills	ReACT III	45.7	33.9
	WG - Department for Health and Social Services	HWW - Out of Work Service WWV	8.9	6.7
		Together for a Healthy Working Wales (In-Work Service)	4.8	3.3
	WG - Department of Local Government and Communities	Communities4Work	38.4	24.6
		Parents, Childcare and Employment (PaCE)	6.8	4.8
1 Total			148.5	106.8
2	Bangor University	KESS II	36.0	25.9
	Chwarae Teg	Agile Nation 2 WWV	7.3	5.6
	Coleg Cambria	Skills for Employers and Employees WWV SO1	6.3	4.6
		Skills for Employers and Employees WWV SO2	4.3	3.1
	Coleg Y Cymoedd	Upskilling At Work SO1 WWV	4.1	2.9
		Upskilling At Work SO2 WWV	5.2	3.3
	Gower College Swansea	Skills for Industry 2 SO 2	8.9	6.2
		Skills for Industry 2 SO1	8.0	5.6
	Grwp Llandrillo-Menai	North Wales Business Academy Project (NWBA) WWV	2.7	2.0
	Swansea University	Leading Business Growth West Wales	4.0	2.7
		Materials and Manufacturing Academy	14.8	9.5
		METAL 2	1.5	1.1
	Torfaen County Borough Council	Working Skills for Adults II	5.3	3.8
	University of Wales Trinity Saint David	Growing Workforces Through Learning and Development (GWLAD)	3.1	2.0
	WG - Department for Education and Skills	Apprenticeships	175.5	103.1
		Apprenticeships Skills Enhancement Programme I	128.6	71.6
2 Total			415.7	253.0
3	Blaenau Gwent County Borough Council	Inspire 2 Achieve WWV	18.9	14.0
		Inspire 2 Work WWV	7.3	5.4
	Denbighshire County Borough Council	TRAC 11-24 West	13.1	9.0
	Engineering Education Scheme Wales	STEM Cymru 2	2.1	1.7
	Grwp Llandrillo-Menai	ADTRAC	6.8	5.1
	Higher Education Funding Council for Wales	Achieve through Work Experience	5.2	3.6
	Pembrokeshire County Council	Cynnydd	19.0	13.3
	Wales Council for Voluntary Action	Active Inclusion Youth	8.3	5.8
	WG - Department for Education and Skills	Jobs Growth Wales II West Wales	32.0	18.0
		Progress for Success (PfS)	6.4	4.2
		Traineeships	90.9	58.1
	WG - Department for Health and Social Services	HWW - Out of Work Services WWV 16-24	2.7	2.0
	WG - Department of Local Government and Communities	Communities for Work (WWV P3)	14.6	9.4
		Parents, Childcare and Employment (PaCE) P3 WWV	1.8	1.3
3 Total			229.1	150.8

Annex 4: Structural Funds: Approved Operations List

Programme	West Wales and the Valleys ESF	Source: WEFO, 31/07/2017
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Priority	Lead Beneficiary	Operation Title	Total investment (£m)	EU Grant Commitment (£m)
4	Bridgend County Borough Council	South East Regional Engagement Team ESF WWV	0.3	0.2
	Carmarthenshire County Council	Swansea Bay Regional Engagement Team ESF	0.5	0.3
	Ceredigion County Council	Mid Wales Regional Engagement Team ESF WWV	0.2	0.2
	Conwy County Borough Council	North Wales Regional Engagement Team ESF WWV	0.3	0.3
	Wales Council for Voluntary Action	IB and 3-SET ESF WWV	7.0	5.1
	WAG DEandT WEFO	WEFO TA ESF WWV	15.9	8.9
4 Total			24.2	14.9
Approved Total			817.4	525.5

Annex 4: Structural Funds: Approved Operations List

Programme **East Wales ESF** Source: WEFO, 31/07/2017

Priority	Lead Beneficiary	Operation Title	Total investment (£m)	EU Grant Commitment (£m)
1	Powys County Council	Workways Plus Powys	0.7	0.3
	SOVA	Sova EW ACE-CNC	1.1	0.6
	Wales Council for Voluntary Action	Active Inclusion Wales EW	6.1	3.0
	WG - Department for Health and Social Services	HWW - Out of Work Service - EW	4.3	2.2
	WG - Department of Local Government and Communities	Communities4Work (East Wales)	12.7	6.4
		Parents, Childcare and Employment (PaCE) (East Wales)	4.1	2.0
1 Total			29.1	14.5
2	Cardiff Metropolitan University	Leading Business Growth East Wales	4.1	2.4
	Chwarae Teg	Agile Nation 2 EW	3.0	2.4
	Coleg Cambria	Skills for Employers and Employees EW SO1	3.4	1.7
		Skills for Employers and Employees EW SO2	2.2	1.0
	Coleg Gwent	Upskilling at Work SO1 EW	3.9	1.9
		Upskilling at Work SO2 EW	5.7	2.8
	Grwp Llandrillo-Menai	North Wales Business Academy (NWBA) EW	1.7	0.8
	Welsh Contact Centre Forum Ltd	Welsh Financial Services Graduate Programme	5.9	2.5
	WG - Department for Education and Skills	Apprenticeships East Wales	93.5	15.9
		Apprenticeships Skills Enhancement East Wales Programme I	67.9	15.5
2 Total			191.4	46.9
3	Denbighshire County Borough Council	TRAC 11-24 East Wales	5.0	2.5
	Grwp Llandrillo-Menai	ADTRAC East Wales	3.6	1.8
	Higher Education Funding Council for Wales	Achieve through Work Experience East Wales	2.1	1.1
	Newport City Council	Inspire2Achieve EW	9.2	4.2
		Inspire2Work EW	2.8	1.4
	Powys County Council	Cynnydd (EW)	2.0	1.0
	Wales Council for Voluntary Action	Active Inclusion Youth East Wales	4.6	1.0
	WG - Department for Education and Skills	Jobs Growth Wales II East Wales	20.9	7.0
		Traineeships East Wales	65.1	17.5
	WG - Department for Health and Social Services	HWW - Out of Work Services EW 16 - 24	1.4	0.7
	WG - Department of Local Government and Communities	Communities for Work (EW P3)	4.8	2.4
		Parents, Childcare and Employment (PaCE) P3 EW	1.0	0.5
3 Total			122.6	41.0
4	Bridgend County Borough Council	South East Regional Engagement Team ESF EW	0.1	0.0
	Ceredigion County Council	Mid Wales Regional Engagement Team ESF EW	0.1	0.0
	Conwy County Borough Council	North Wales Regional Engagement Team ESF EW	0.1	0.0
	Wales Council for Voluntary Action	IB and 3-SET ESF EW	1.7	0.7
	WAG DEandT WEFO	WEFO TA ESF EW	4.0	2.0
4 Total			5.9	2.8
Approved Total			349.0	105.3

Performance Framework and Reserve

All ESI funds (with the exception of European Territorial Cooperation) have a performance reserve of 6% of the financial allocation which is contingent on meeting the targets set-out in the performance framework.

The performance framework is made up of financial and output indicators for each priority and the milestones and targets are set for the end 2018 and 2023. The achievement of the milestones in 2018 forms the basis for the allocation of the performance reserve.

The regulations foresee the ability to amend the performance framework and WEFO are currently discussing revisions to the framework with the EC. However a Priority will be deemed to have achieved its milestones if:

- 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

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.

ERDF Performance Framework

The data show a shortfall in meeting the number of the indicator targets but the upcoming modifications which was outlined to the last PMC will remedy this.

The main changes proposed were the target for enterprises supported under the Research and innovation Priority to be replaced with collaborative projects. A reduction in the target for the '*number of households with improved energy consumption classification*' to reflect the more focused and reduced scale ARBED project and replacing the current targets for rail projects with an output such a railway line created to better reflect the Metro activity.

The remaining targets are expected to be met but will be closely monitored over coming months.

The data against approved Operations would suggest that the financial targets for Priorities 1 and 2 for both the ERDF Programmes will be met. However due to the nature of the operations funded from Priorities 3 and 4 for both ERDF Programmes, the financial targets are more challenging.

Adjustments to the financial allocation in Priority 3 are under review. There is likely to be a need to move funds out of Priority 3 East Wales due to the lack of take-up of the funds and a smaller Arbed operation being supported. This particularly Priority has very limited supportive activity in it which has proven to be a challenge in committing the funds and as a result has had a knock on effect to the level of eligible expenditure and grant to be paid. The situation in P3 West Wales and the Valleys is similar but demand for support from the Marine Energy sector has been high and unused resources in the other areas of the Priority could be used for Marine Energy technology operations. However due to the lead in time to develop such proposals, the lengthy consenting process and complex infrastructure requirements achieving the performance reserve target for end 2018 is challenging.

Priority 4 is an infrastructure Priority that was always going to be back-ended in terms of expenditure and delivery of outputs. Both Priorities are under review and whilst it is anticipated that the financial target for West Wales and the Valleys will be met the target for East Wales is more challenging. Like Priority 3 East Wales there is limited activity to be supported under Priority 4 being ICT development and Metro. To date no operations have been supported albeit proposals are in business development.

ESF Performance Framework

Many of the milestones for 2018 have already been met for the ESF Programme and the only amendment to the Performance framework proposed is to merge the number of participants with no qualifications with those with qualifications up to level 2.

All the ESF Priorities are currently on track to meet the 2018 financial targets with the exception of the Poverty priority in East Wales and this will be addressed in the upcoming modification.

RDP Performance Framework

The data show a shortfall in meeting a number of the indicator targets given the requirement to report on completed operations for the non land based elements of the Programme where the final payment to the beneficiary has been made ('realised expenditure'). Progress for land based elements which cover annual payments reporting is based on partially implemented operations.

Data can be reported for those operations for which annual payments have been. Future reports will demonstrate progress on other elements of the Programme as outcomes from EOI windows during 2016 and 2017 are transposed into approved operations and these come to a completion. Close monitoring of approved operations and agreements will continue to ensure expected outcomes are delivered against the Performance Framework. Based on EOI windows and commitments thus far the RDP remains on track to meet the majority of milestones. The second

modification to the Programme later this year will review the current progress against Performance Framework targets based on EOI activity and annual commitments alongside any proposed budgetary or Programme delivery changes going forward.

It should be noted the first modification to the Programme was approved on the 30 June amending the Performance Framework in light of funding adjustments and refocus of Programme priorities going forward.

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

Priority	Indicator	Forecast to 2018	Forecast to 2023	Achieved	Milestone for 2018	Target for 2023	Achievement Rate
1	Eligible Expenditure (€M)	29%	408.4	17.1	25%	452.2	4%
1	Number of enterprises receiving non-financial support	10%	806	91	31%	3,750	2%
2	Eligible Expenditure (€M)	49%	324.0	71.6	26%	333.3	21%
2	Number of enterprises receiving non-financial support	59%	16,223	1,871	44%	17,375	11%
3	Eligible Expenditure (€M)	11%	92.7	7.8	26%	246.0	3%
3	Energy support site preparation schemes	100%	2	0	50%	2	0%
3	Number of renewable energy prototypes tested	38%	3	0	n/a	8	0%
3	Number of households with improved energy consumption classification	0%	3,060	0	50%	5,500	0%
4	Eligible Expenditure (€M)	15%	509.0	24.8	26%	763.5	3%
4	x% of the priority financial allocation accounted by contractual agreements to deliver infrastructure works	100+%	100+%	100+%	35%	n/a	100%
4	Gross passenger kilometres on public transport	0%	1,790,041	0	n/a	400,000,000	0%
4	Number of projects submitted to the Managing authority having undergone agreed prioritisation process	100+%	16	5	60%	5	100%
4	Land developed (Ha)	14%	102	0	n/a	50	0%

Source: WEFO, 31/07/2017

Table 2: East Wales ERDF Programme: Performance framework indicators

Priority	Indicator	Forecast to 2018	Forecast to 2023	Achieved	Milestone for 2018	Target for 2023	Achievement Rate
1	Eligible Expenditure (€M)	27%	162.4	22.5	26%	178.2	13%
1	Number of enterprises receiving non-financial support	4%	304	24	28%	2,245	1%
2	Eligible Expenditure (€M)	43%	74.4	38.4	25%	79.7	48%
2	Number of enterprises receiving non-financial support	90%	9,264	1,456	28%	6,420	23%
3	Eligible Expenditure (€M)	0%	8.3	0.0	25%	44.8	0%
3	Number of households with improved energy consumption classification	0%	765	0	50%	4,200	0%
4	Eligible Expenditure (€M)	17%	21.8	0.0	26%	95.7	0%
4	x% of the priority financial allocation accounted by contractual agreements to deliver infrastructure works	95%	N/A	£18m	75%	n/a	34%
4	Gross passenger kilometres on public transport	0%	0	0	n/a	67,200,000	0%

Source: WEFO, 31/07/2017

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

Priority	Indicator	Forecast to 2018	Forecast to 2023	Achieved	Milestone for 2018	Target for 2023	Achievement Rate
1	Eligible Expenditure (€M)	26%	173.9	14.4	26%	248.2	6%
1	Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment	15%	41,137	4,896	26%	36,000	14%
1	Long-term unemployed (aged 25 and over) who have complex barriers to employment	101%	18,107	2,481	26%	10,800	23%
2	Eligible Expenditure (€M)	33%	488.6	71.4	26%	480.2	15%
2	Employed participants with no formal qualifications - Male	26%	5,092	370	26%	14,029	3%
2	Employed participants with no formal qualifications - Female	28%	5,407	271	26%	12,771	2%
2	Employed participants with qualifications up to and including a lower secondary education - Male	55%	21,734	6,646	26%	23,870	28%
2	Employed participants with qualifications up to and including a lower secondary education - Female	68%	26,300	6,627	26%	21,730	30%
2	Employed participants with lower secondary education - Male	76%	22,137	4,396	26%	16,070	27%
2	Employed participants with lower secondary education - Female	97%	27,487	4,665	26%	14,630	32%
3	Eligible Expenditure (€M)	26%	268.4	25.9	26%	329.1	8%
3	NEET Participants (16 - 24 years of age)	66%	48,483	11,724	26%	42,700	27%

Source: WEFO, 31/07/2017

Table 4: East Wales ESF Programme: Performance framework indicators

Priority	Indicator	Forecast to 2018	Forecast to 2023	Achieved	Milestone for 2018	Target for 2023	Achievement Rate
1	Eligible Expenditure (€M)	14%	34.0	1.4	26%	87.6	2%
1	Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment	88%	14,611	1,032	26%	12,700	8%
1	Long-term unemployed (aged 25 and over) who have complex barriers to employment	93%	5,863	595	26%	3,800	16%
2	Eligible Expenditure (€M)	28%	224.8	34.4	26%	197.2	17%
2	Employed participants with no formal qualifications - Male	16%	1,728	41	26%	7,799	1%
2	Employed participants with no formal qualifications - Female	19%	1,934	78	26%	7,101	1%
2	Employed participants with qualifications up to and including a lower secondary education - Male	41%	9,022	3,211	26%	13,296	24%
2	Employed participants with qualifications up to and including a lower secondary education - Female	51%	10,854	3,616	26%	12,104	30%
2	Employed participants with lower secondary education - Male	88%	9,754	2,301	26%	6,438	36%
2	Employed participants with lower secondary education - Female	117%	12,208	2,462	26%	5,862	42%
3	Eligible Expenditure (€M)	35%	143.7	10.7	26%	120.0	9%
3	NEET Participants (16 - 24 years of age)	76%	28,266	4,775	26%	21,200	23%

Source: WEFO, 31/07/2017

Table 5: Rural Development Programme: Performance framework indicators

WPMC(17)107

Priority	Indicator	Forecast to 2023	Achieved	Milestone for 2018	Target for 2023	Achievement Rate
2	Total Public Expenditure P2 (EUR)	71,862,500	0	24%	121,683,038	0%
2	Number of agricultural holdings with RDP support for investment in restructuring or modernisation (focus area 2A) + holdings with RDP supported business development plan/investment for young farmers (focus area 2B)	15	0	10%	2,431	0%
3	Total Public Expenditure P3 (EUR)	37,275,000	0	24%	108,649,232	0%
3	Number of supported agricultural holdings receiving support for participating in quality schemes, local markets/short supply circuits, and producer groups (focus area 3A)	414	0	35%	165	0%
4	Total Public Expenditure P4 (EUR)	477,837,500	51,229,240	24%	415,473,779	12%
4	Agricultural land under management contracts contributing to biodiversity (ha) (focus area 4A) + improving water management (ha) (focus area 4B) + improving soil management and/preventing soil erosion (ha) (focus area 4C)	598,500	749,346	85%	706,387	106%
5	Total Public Expenditure P5 (EUR)	39,875,000	4,208,116	24%	80,454,040	5%
5	Number of investment operations in energy savings and efficiency (focus area 5B) + in renewable energy production (focus area 5C)	0	0	32%	583	0%
5	Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E) + Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D) + Irrigated land switching to more efficient irrigation system (ha) (focus area 5A)	61,829	147	81%	63,711	0%
6	Number of operations supported to improve basic services and infrastructures in rural areas (focus areas 6B and 6C)	1,583	0	20%	653	0%
6	Total Public Expenditure P6 (EUR)	71,550,000	0	24%	206,164,595	0%
6	Population covered by LAG (focus area 6B)	1,381,745	1,381,745	100%	1,381,745	100%

Source: WEFO, 31/07/2017

Table 6: Rural Development Programme: Alternative Performance Framework indicators

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

Source: WEFO, 31/07/2017

Welsh Government Rural Communities – Rural Development Programme 2014 – 2020

Communications and Engagement Handling Plan WRN SU 2017

1. Introduction

This Plan outlines the approach to publicising the Schemes funded through the Welsh Government Rural Communities – Rural Development Programme 2014-20 (WGRC-RDP) for the 2017 period. It has been developed to cover this specific period but sits alongside the broader Information and Publicity Strategy for the whole Programme.

It recognises the uncertainties arising during this period but in the meantime, recognises that it is essential to give continuity of messaging to stakeholders to allow them to plan and make best use of Programme funding.

The overarching Information and Publicity Strategy was produced for the Programme, which set out the proposed steps that would be taken to address the requirements of the EU regulations, and the channels that would be used to communicate to our stakeholder segments. The Strategy is a high level document, which can be supplemented by annual updates and Scheme-level communication planning.

2. Aims and Objectives:

- Communicate the programme Pan Wales
- Encourage via numerous communication methods, participation of all people living in and working in community areas to unlock the potential in our rural economy
- Encourage a wide range of stakeholders to submit ideas and solutions to boost communities and the economy
- To demonstrate how the funds will help support the creation of rural economy, encouraging the agricultural industry and rural communities to develop their business both now and for future generations.
- Demonstrate the positive role that RDP Funding has played and is playing in improving local economies
- Demonstrate the role RDP Funding has directly achieved to support the lives of those living and working in rural areas
- Publicise the RDP achievements via a variety of media channels, including newsletter, ebulletin, web pages, twitter, case studies, meetings, external channels and publications

3. Key Messages

At Programme level the following goals and messages for communication and engagement remain relatively unchanged:

This seven year investment of some £900 million by the Welsh Government and EU in rural Wales will boost our rural economy by providing over twenty avenues of funding to support everything from developing better rural childcare options to community energy creation to better land management.

EU membership is important to Wales and especially rural Wales – the EU has invested around £290 million in rural Wales through the last RDP and this Programme has the potential to build on the many jobs created to date under previous Rural Development Plans.

These next seven years are about increasing economic sustainability for the agricultural industry, both in terms of tackling the effects of climate change and creating the right business for future generations.

Below Programme level, a range of messages appropriate to the various stakeholder segments concerned are being developed. Given that we expect the greatest pressure from the agriculture sector our handling proposals are outlined below.

4. Wales Rural Network (WRN) Communication - Land based and Socio-economic Schemes

In accordance with EU regulations, WRN has been established to organise networking, training and information exchange opportunities to support the implementation and delivery of the Welsh Government Rural Communities – Rural Development Programme 2014-2020.

The WRNSU provide networking support and communication via the following channels:

Newsletters: Contribute fortnightly / monthly to update partners and stakeholders on key developments via GWLAD / WRN Newsletter

E-Bulletin: Leading up to the scheme opening and on the day externally promote a bilingual update via the WRN Stakeholder

Website WRN / RDP: Ensure Web content is written correctly and compliant with WG Style guide, provide details stats on web activity.

Social media: WRN Twitter – promote weekly updates during window via the official WG Twitter channel - Hoot Suite, share daily news and EU updates

Events: Arrange and manage business events to promote all opportunities

Periscope Events: Arrange / Promote and run bespoke live events to support scheme understanding

Case studies: Work with Policy team / Project beneficiaries to obtain information on all approved projects. Obtain detailed funding info, project description and images, these will be created as individual documents and published on the WRN Web pages, further promoted in GWLAD WRN Newsletter, LEADER Local Action Groups across Wales and via Wales / UK and EU as exemplary examples of Funding.

Management of Scheme Documentation: In line with EU Regulation, manage the publication of scheme documentation to support scheme windows which includes Welsh translation EOI Criteria and Application and Guidance.

Information & Publicity Guidelines: Manage the Information and Publicity across all RDP Schemes, inform and support project beneficiary's ensuring compliancy of EU requirements via: Branding and Logos, Plaques and Press and Public Relations.

Manage all Media engagement to include:

- Ministerial announcements, written statements and visits / Press notices and project visits
- Front Line Staff Lines to Take / Intranet articles, news stories, publication of events and projects.

All key scheme dates and events to be promoted or attended are listed in the following document.

Approved Scheme Openings	Proposed Launch Date	Publicity Actions	Comms Channels
Co-operation and Supply Chain Development	Feb 2017 July 2017	WRN publicise via comms channels.	Social media Stakeholder Networks Gwlad online WRN Newsletter External Events RDP Web pages
Co-operative Forest Planning Scheme	Oct 2017	WRN publicise via comms channels.	Social media Stakeholder Networks Gwlad online WRN Newsletter External Events RDP Web pages
Farm Business Grant	May 2017 August 2017	WRN publicise via comms channels.	Social media Stakeholder Networks Gwlad online WRN Newsletter External Events RDP Web pages
Food Business Investment	May 2017	WRN publicise via comms channels.	Social media Stakeholder Networks Gwlad online WRN Newsletter External Events RDP Web pages
Glastir Woodland Restoration	June 2017	WRN publicise via comms channels.	Social media Stakeholder Networks Gwlad online WRN Newsletter External Events

			RDP Web pages
Glastir Small Grants (Carbon)	Nov 2017	WRN publicise via comms channels.	Social media Stakeholder Networks Gwlad online WRN Newsletter External Events RDP Web pages
Glastir Woodland Creation	July 2017	WRN publicise via comms channels.	Social media Stakeholder Networks Gwlad online WRN Newsletter External Events RDP Web pages
Glastir Advanced 2019	June 2017	WRN publicise via comms channels.	Social media Stakeholder Networks Gwlad online WRN Newsletter External Events RDP Web pages
Micro Small Business Fund (MSBF)	June 2017	WRN publicise via comms channels.	Social media Stakeholder Networks Gwlad online WRN Newsletter External Events RDP Web pages
Rural Community Development Fund	Feb 2017 Aug 2017 Dec 2017	WRN publicise via comms channels.	Social media Stakeholder Networks Gwlad online WRN Newsletter External Events RDP Web pages
Sustainable Management Scheme	July 2017	WRN publicise via comms channels.	Social media Stakeholder Networks

			Gwlad online WRN Newsletter External Events RDP Web pages
Timber Business Investment	Feb 2017	WRN publicise via comms channels.	Social media Stakeholder Networks Gwlad online WRN Newsletter External Events RDP Web pages
Tourism Investment Support	Jun 2017	WRN publicise via comms channels.	Social media Stakeholder Networks Gwlad online WRN Newsletter External Events RDP Web pages

Event	Date	Audience
Land Management Event	22/02/2017	RDP Stakeholders (Farm Sector)
RDP Funding Fair	02/03/2017	RDP Stakeholders
RDP Funding Fair	08/03/2017	RDP Stakeholders
7th NRN Azores, Portugal Meeting	14/03/2017 - 18/03/2017	National Rural Network
RDP Funding Fair	15/03/2017	RDP Stakeholders
The Future of Uplands Farming	15/03/2017	Upland Farmers
Divisional Staff Away Day	03/05/2017	Rural Development Division
Co-operation & Supply Chain Development Workshop (Food)	05/05/2017	RDP Stakeholders (Food & Drink Sector)
LINC Conference (Leader Inspired Network Community)	09/05/2017 – 11/05/2017	LAG and NRN
Glastir Staff engagement Events	16/05/2017/18/05/2017	Glastir Staff

Management of Natural Resources Event	24/05/2017	RDP Stakeholders (Forestry, Food, Community)
8 th NRN (Delivering Smart Rural Development) Finland	26/06/2017 – 28/06/2017	National Rural Network
Royal Welsh Agricultural Show	24/07/2017 - 28/07/2017	General Public and Agri Sector
UK National Rural Network Event (Belfast)	14/11/2017 – 15/11/2017	RDP Stakeholders and NRN
Leader Themes Workshops	October/November 2017	Local Action Groups
Divisional Staff Away Day	November 2017	Rural Development Division



WRN Workplan 2017

Introduction

This annual Workplan sets out the planned activities for the Wales Rural Network (WRN) from 1st January 2017 to 31st December 2017. As part of the governance, planning and delivery arrangements for the WRN, a new Workplan will be approved by the Steering Group annually. The activities it contains will be led by Support Unit, Steering Group Members or other identified groups as appropriate.

The Workplan forms a vital part of the Wales RDP Information and Publicity Strategy, playing a key role in co-ordinating the communications, information and publicity activities for the Wales RDP and its associated schemes.

Background

WRN activities are driven by EU/UK regulatory or policy requirements and also by stakeholder needs identified through representation by the Steering Group or stakeholder consultations.

Aim /task	EU level key work areas	Wales level key work areas	Activities 2017
Networking			
Involve Stakeholders	<p>Encourage transnational co-operation among LAGS businesses and projects.</p> <p>Support partner searches for Art. 35 measures.</p> <p>Monitor activity and liaise with other networks</p>	<p>Arrange consultation, training and networking events in accordance with demand from Scheme leads, stakeholders, Steering Group and LAGS.</p> <p>Encourage and facilitate inter-territorial co-operation among LAGS, businesses and projects.</p> <p>Monitor and support networking activity by other organisations</p>	<p>LAGs and Flags have divided management geographically between all WRNSU managers.</p> <p>Provide regular WRN Newsletter providing newsletters circulating news/case studies/good practice and updates from Wales/The UK/Europe (every 4-6 weeks).</p> <p>Collate and publish Good Practice/Case Studies and publish to the WRN website.</p> <p>Circulate and advise on partner searches at all levels.</p> <p>Attend UKNRN events and ensure interterritorial co-operation is on agendas. Contribute news, activities and attendance at events and meetings on the shared portal for the UKNRN.</p> <p>Attend and support networking activity by other programme partners and relevant stakeholders eg ERIAFF</p> <p>Support and encourage the production of UK co-operation guidance.</p>

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			<p>Encourage the adoption of a common approach to co-operation among UK Managing Authorities/Networks.</p> <p>Support formation of UK / Ireland cluster</p>
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ENRD Activity	EU level key work areas	Wales level key work areas	Activities 2017
Improve the quality of RDP implementation and integration with existing development policies	Participate in and contribute to ENRD activities.	<p>Collect examples of projects covering all RDP priorities.</p> <p>Facilitate thematic and analytical exchanges between stakeholders as required by Steering Group and MA.</p> <p>Share and disseminate best practice and monitoring and evaluation findings</p> <p>Participate and contribute to the UK NRN's activities</p>	<p>Ensure appropriate WRN representation at ENRD Events</p> <p>Represent Wales/present and participate at ENRD/ELARD events as required.</p> <p>Promote the use of ENRD resources by LAGs/FLAGs through newsletters and website and forward news onto relevant stakeholders..</p> <p>Upload case study/best practice material from last RDP etc. to ENRD website.</p> <p>Maintain the profile and influence of Wales with ENRD and the wider EU networking community.</p> <p>Awaiting instruction to arrange thematic events, or appropriate study visits or exchange events for schemes or themes. UKNRN meetings to be held in each region in turn and incorporate successful scheme visits.</p>

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<i>Communications</i>	EU level key work areas	Wales level key work areas	Activities 2017
Inform the broader public and potential beneficiaries	<p>Organise RDP information and publicity activities</p> <p>Develop communication tools to inform broader public and stakeholders about RDP activity</p> <p>Share and disseminate monitoring and evaluation findings via ENRD</p>	<p>Produce publicity and information materials concerning the RDP aimed at the broader public.</p> <p>Provide information and communication activities aimed at beneficiaries and the broader public.</p> <p>Share and disseminate monitoring and evaluation findings via UKNRN.</p> <p>Keep abreast of WG and Ministerial comms priorities</p> <p>Publicise scheme opening and application windows</p> <p>Work with external Comms Teams to maximise RDP communications opportunities</p>	<p>Organise events, seminars conferences, field trips, study visits etc, to inform the public and potential beneficiaries about the RDP and the activities it supports.</p> <p>Arrange 3 RDP Funding Roadshows to promote business and community development opportunities post election.</p> <p>Organise and support RDP Royal Welsh Show presence and all campaigns – ongoing.</p> <p>Monitor email inbox and phone contact line for WRNSU</p> <p>Maintain and continuously update website, social media accounts and document library</p> <p>Work with Webteam and Gwlad etc to ensure schemes and application windows are publicised via appropriate channels</p> <p>Address MA and steering Group priorities via comms activities - ongoing</p> <p>Update RDP comms and promotional materials to reflect policy priorities and RDP opportunities including producing infographics and an RDP summary booklet</p> <p>Organise and distribute plaques for Programme beneficiaries</p>

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MA Communications		<p>Work with Ministers' offices, Natural resources, WEFO and EST comms teams to agree internal WG communications protocols and channels</p>	<p>Regular meetings with comms leads in NR, EST & WEFO</p> <p>Ensure schemes and application windows are publicised via appropriate channels internally</p> <p>Chair regular bi-monthly comms forum for Scheme leads and programme contributors</p> <p>Lead where appropriate and contribute to internal comms efforts especially on Programme issues.</p> <p>Maximise opportunities for Ministers to publicise RDP - ongoing</p>
Foster Innovation	<p>Monitor work of EIP contact point</p>	<p>Monitor work of Farming Connect EIP Scheme</p> <p>Support networking activities for advisors and innovation support services if required.</p>	<p>Organise networking events for innovation support services brokers according to demand</p> <p>Advise and input on the establishment of innovation operational groups and organisation of events as necessary</p> <p>Meet with Farming Connect, Menter a Busnes and Lantra regularly</p> <p>Disseminate findings as necessary</p> <p>Meet with Farming Connect etc to discuss operation of innovation support package</p>

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<i>Wales Priorities</i>	EU level key work areas	Wales level key work areas	Activities 2017
Support delivery of cross cutting themes		Promote Equal Opportunities and Gender Mainstreaming, Sustainable Development and Tackling Poverty within RDP as required by Steering Group and MA.	Undertake agreed activities. Regular meetings with WEFO to agree joint promotion opportunities.
Support integration with other ESI Funds			Act on any ESI PMC recommendations. Monitor PMC discussions. Seek opportunities for joint activities Discuss opportunities at regular meetings with WEFO. Support Steering Group members liaison with PMC
Help embed the Future Generations Act within programme implementation		Ensure activities embody the sustainable development principle in line with policy Link thematic events to well-being goals	Work with WEFO and Sustainable Development branch to develop approach to FGAct Increase WRNSU knowledge of the Future Generations Act Explore opportunities to embed the Act in programme implementations with internal and external partners Apply approach in all events and activities

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Facilitate CLLD via EMFF		Arrange Joint LAG/FLAG events etc as required	Work with LAGs/FLAGs and Leader scheme leads to identify and promote opportunities
Administration	EU level key work areas	Wales level key work areas	Activities 2017
Wales Rural Network Secretariat role	Establish WRN Steering Group by April 2016	Develop and maintain WRN workplan	Organise 4 steering group meetings per year Provide secretariat and full support for meetings Agree workplan with steering group Deliver activities in workplan
Wales Rural Network Project Management	Provide NSU	Manage the WRN project	Submit quarterly project claims on time Ensure control and audit compliance Maintain adequate staffing and resources to deliver Workplan
	AIR reporting	ESI PMC reporting	Submit AIR and PMC reports by deadlines.

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

Amendment to Selection Criteria: Welsh Government Rural Communities - Rural Development Programme 2014-2020

Issue

1. The paper “WPMC(15)56 Selection Criteria – European Agricultural Fund for Rural Development (EAFRD) 2014 -2020” was presented to Members at the 11th September 2015 meeting of the Wales Programme Monitoring Committee. Annex 1 to WPMC(15)56 set out the Selection Criteria to be used by Schemes under the Welsh Government Rural Communities - Rural Development Programme 2014-2020. These were then amended for some schemes at the February 2016, September 2016, December 2016 and June 2017 meetings.
2. As explained in WPMC(15)56 the Welsh Government as Managing Authority can amend these selection criteria or introduce new selection criteria within the programming period according to programming needs, following consultation with the Wales Programme Monitoring Committee.
3. The Welsh Government is proposing to make editorial changes to the selection criteria for the Cooperative Forest Planning Scheme (see Annex 1) and this is being presented to Members as information.

Recommendation

4. The amendments proposed to the scheme are only linguistic changes that do not affect the nature of the selection criteria or the ranges used to score the criteria. On this occasion The Welsh Government is presenting the changes as described in Annex 1 as information and Members are requested to note these changes.

Background

5. Annex 1 presents the selection criteria to be used for the Cooperative Forest Planning Scheme.

Next Steps

6. The Welsh Government invites Members to note the changes proposed.

Agriculture, Food and Marine

Lead: Gail Merriman

Approved by: Terri Thomas

Date: 25 August 2017

Section 1: Existing Schemes**Measure 16.8: Co-operative Forest Planning Scheme****Thumbnail sketch:**

It is intended that the outcome of this scheme will be strategic plans that will enable woodland management and creation by identifying and dealing with barriers and addressing issues at a strategic level. This Co-operative Forest Planning Scheme will be run as a standalone revenue grant.

Forest Management Plans are important in delivering the EU Biodiversity strategy to 2020, which calls on Member States to implement Forest Management Plans or equivalent instruments through their RDP.

Forest Management plans will be in line with the principles of sustainable forest management set out in the Forests Europe initiative and in the EU Forestry Strategy. In Wales, all plans will be assessed by Welsh Government to determine that they are in line with the UK Forestry Standard which translates the Forests Europe and the EU Forestry strategy into a UK context. This operation will support the creation of Woodland Establishment and the creation of Woodland Management Plans

Forest management planning in accordance with the forests Europe principles and criteria requires involvement of stakeholders in the planning process and the standard costs will cover the inclusion of stakeholders in the planning process. They may be considered as beneficiaries in certain cases or may be reimbursed indirectly for their contribution to forest plans through the payment made to the forest holder.

Selection Criteria and Scoring at Expression of Interest (EOI) Stage:**Current Version**

The minimum quality threshold is a score of **12**. A score of **0** in any of the criteria will prevent the EOI from progressing any further.

	Selection Criteria	Score
1	The bid must explain how the proposal contributes to woodland creation (in line with opportunities map), or bringing more woodland into good management	0-5
2	The proposal must clearly explain how the bid will apply the principles of Sustainable Management of Natural Resources (SMNR) in the development and implementation of their proposal, and how they will comply with the UK Forestry Standard and guidelines as they apply to forest standards.	0-5
3	The bid must clearly show how the proposal will build on and complement existing work including work	0-5

	proposed in other RC-RDP schemes	
4	The bid must be <u>strategic in scope</u> , demonstrating that it will encompass opportunities at a Wales wide level	0-5

Proposed Replacement Version:

Amendments shown in red below.

The minimum quality threshold is a score of **12**. A score of **0** in any of the criteria will prevent the EOI from progressing any further.

	Selection Criteria	Score
1	The bid must explain how the proposal contributes to woodland creation, for example by (in line with using or contributing to refining the woodland opportunities map), and/or bringing more woodland into good management, and/or contributes to the delivery of the objectives of the Environmental and Rural Affairs Monitoring and Modelling Programme (ERAMMP).	0-5
2	The proposal must clearly explain how the bid will apply the principles of Sustainable Management of Natural Resources (SMNR) in the development and implementation of their proposal, and how they will comply with the UK Forestry Standard and guidelines as they apply to forest standards.	0-5
3	The bid must clearly show how the proposal will build on and complement existing work including work proposed in other RC-RDP schemes, and/or will deliver against the objectives of the Environmental and Rural Affairs Monitoring and Modelling Programme (ERAMMP).	0-5
4	The bid must be <u>strategic in scope</u> , demonstrating that it will encompass opportunities at a Wales wide level	0-5

Explanation of Changes

The Welsh Government proposes to make the linguistic changes above to the Selection Criteria for the Co-operative Forest Planning Scheme to open up the application process to any project that contributes to the delivery of the Environmental and Rural Affairs Monitoring and Modelling Programme (ERAMMP) objectives.

The objective of the ERAMMP is to design, implement and deliver a new responsive land based monitoring and modelling programme (including areas of interface with the freshwater and marine environments), which informs and contributes to the evaluation of the sustainable management of natural resources, reflects the recommendations of the Options for a New Integrated Natural Resources Monitoring Framework for Wales project and supports the evidence needs of the EU exit process.

There is no change to the selection process or the scoring range for the scheme.

PAPER FOR INFORMATION

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

2016 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 2016 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 09 June 2017 and was presented to Members at the meeting on 16 June 2017, where the draft AIRs were approved in principle. Comments were received from Members and the European Commission at the meeting and Members were invited to make any further comments by 23 June 2017. 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 end June deadline.

Annex A: Table of PMC comments received on the 2016 Annual Implementation Reports and WEFO's responses

No.	Annual Implementation Report						Comment	Response
	Section	WWV ERDF	EW ERDF	WWV ESF	EW ESF	RDP		
1	7/ A N N E X 1	X	X				<p>Need to check the data relating to the Financial Instruments in Annex 1 Citizen's Summary, both in relation to East Wales and West Wales & the Valleys. The statement from the WWV and EW documents read as follows:</p> <p>East Wales: Launch in September of the £225m Wales Business Fund, which provides finance for Welsh SMEs. West Wales & the Valleys: Launch in September of the £150m Wales Business Fund, which provides finance for Welsh SMEs.</p> <p>We wondered whether these statements refer to the whole Fund or just WWV or EW? Further are you intending to quote a figure of ERDF plus either or both of Fund level and Deal level match?</p>	The £150m quoted in the West Wales and the Valleys ERDF AIR Annex is an error. In general we will always refer to the fund as ERDF + Match, i.e. £226m. We will amend the Citizen's summaries accordingly.
2	10.1	X					Reference to approval of a Major project in 2016. Need to update to remove.	This refers to Table 12 in section 10.1. The AIR on SFC is linked to the latest version of the OP that is on SFC for the reporting period. We cannot amend or remove this data in the AIR because it needs to be amended or removed from the latest version of the OP in SFC. We

Annex A: Table of PMC comments received on the 2016 Annual Implementation Reports and WEFO's responses

No.	Annual Implementation Report						Comment	Response
	Sec tion	WWV ERDF	EW ERDF	WWV ESF	EW ESF	RDP		
								therefore suggest this is amended as part of any future modification of the Programme.
3	14.4	X	X	X	X		The check box for 'Atlantic Sea Basin Strategy' under the 'Macro-regional and sea basin strategies' section is blank. Need to tick check box even if there is nothing yet to report.	We have amended the report to check 'Atlantic Sea Basin Strategy' and have amended the narrative to include the following: "No actions applicable to the Programme have been implemented during the reporting period."
4	7/ A N N E X 1	X	X	X	X	X	Citizen summary may need to be simplified, i.e. could person on street understand it. Free to present as the Managing Authority wishes	We are currently looking at examples from other Member States and will revise our approach next year.
5						X	Can report on follow up to recommendation to the research be included in the AIR	An update on research given within the AIR will be provided to the PMC at a future date.
6						X	We note that payments of just under €48.02m were made during 2016 of which €36.87m related to EAFRD; the vast majority of this related to Measure 10.1 Agri-Environment-climate with significant contractual commitments carried over from the 2007-2013	Figures given within the AIR represent the progress as at the end of 2016. The last progress report issued to PMC showed payments have almost doubled since the values given within the AIR.

Annex A: Table of PMC comments received on the 2016 Annual Implementation Reports and WEFO's responses

No.	Annual Implementation Report						Comment	Response
	Sec tion	WWV ERDF	EW ERDF	WWV ESF	EW ESF	RDP		
							programme. This remains a relatively small proportion of the overall programme budget of £957m.	
7						X	We would place on record our concerns at the rate of implementation of the RDP during 2016. We are now well into the 2014-2020 programming period and we are concerned that the ongoing slow pace is likely to hinder the ability of the RDP to have a demonstrable impact on rural communities during the programming period.	Concerns are noted. As mentioned above the financial information and activity described within the AIR only cover the period to the end of 2016. The latest progress report issued to the PMC (information to the end of April 2017) showed £84.14 million in payments; almost double that given within the AIR (£45.24 / €58.95 million). Spend will continue to increase rapidly over the next few months. Since the last PMC the first programme amendment for the RDP has been approved by the European Commission. With these changes, the RDP is now fully committed.
8						X	Expression of Interest (EOI) – much of the RDP activity is being delivered through grant programmes with a two stage application process – including an EOI followed by full application for those successful at the EOI stage. We ask the Managing Authority to review each	Concerns regarding the two stage process are noted. The Welsh Government will take into consideration the points raised.

Annex A: Table of PMC comments received on the 2016 Annual Implementation Reports and WEFO's responses

No.	Annual Implementation Report						Comment	Response
	Section	WWV ERDF	EW ERDF	WWV ESF	EW ESF	RDP		
							stage of the application process as applicants across all schemes appear to be incurring very significant delays at the full application stage. This is borne out by the limited number of applications that have received final approval from the Scheme Management Unit. In some instances, the application process appears disproportionate in the terms of complexity, time, costs to complete for the scheme (and level of investment) that it applies to. This requires urgent review.	
9						X	Error rates – we note that there has been a reduction in error rates from 2.67% in 2016 to 2.31% in 2017, in the random sample for area based measures; however, we are aware of farmers incurring penalties as a result of what we would consider to be minor administrative errors over crop codes declared on the single application forms. In the majority of cases we believe these have arisen from the changes with regards to the rules around land with trees in 2015, in particular with regards to stock excluded woodland. We are aware of farmers	An update on error rates will be provided to PMC at a future date.

Annex A: Table of PMC comments received on the 2016 Annual Implementation Reports and WEFO's responses

No.	Annual Implementation Report						Comment	Response
	Sec tion	WWV ERDF	EW ERDF	WWV ESF	EW ESF	RDP		
							having received significant financial penalties resulting from these crop code changes.	
10						X	<p>Programme Publicity – we are pleased that the Managing Authority has produced a Citizen Summary to accompany the full report and this is improved from 2015. However, the document presented is a Citizen Summary of the RDP and schemes and measures. It reflects very little of the progress made in implementation during 2016 and should be modified accordingly. This should include information on the spend of Pillar Transfer Funds in line with the Gareth Williams Review. On the broader issue of programme publicity, we place on record our concerns over the lack of information provided on approved projects which are designed to work with the farming community. For example, the list of socio-economic approved projects was recently added to the Welsh Government website and it is most concerning that on visiting the project applicant's respective websites for the co-operation and supply chain</p>	<p>We accept the points made regarding the 2016 summary document and agree improvements could be made. We will make some improvements as suggested to the 2016 summary but, as already noted above, the information in these reports are already very out-of-date. For 2017 we will produce a Citizen Summary that reflects the comments made in your email and those also made at the PMC. To ensure this information is disseminated in a more timely manner we will look to decouple the Citizen Summary from the formal Annual Implementation Report process so that we can publish it as early as possible in 2018. We will also review examples from other Member States to ensure best practice.</p> <p>Regarding Pillar I transfers, of the £45.24 million payments reported within the AIR a total of £25.41 million came from Pillar I transfer funding. This has been included within the Citizen Summary for the 2016 AIR. Future</p>

Annex A: Table of PMC comments received on the 2016 Annual Implementation Reports and WEFO's responses

No.	Annual Implementation Report						Comment	Response
	Section	WWV ERDF	EW ERDF	WWV ESF	EW ESF	RDP		
							development scheme, in the majority of cases, little or no information whatsoever has been provided on the projects, the aims and objectives together with the source of EU/WG funding.	reports to PMC will provide updates on Pillar I transfer payments. Regarding the wider programme publicity we will work with applicants to ensure they understand and are compliant with publicity requirements for the Programme.
11						X	We continue to express significant concerns about the ability of a single PMC to effectively monitor RDP implementation. Given the vast remit of Wales' only Programme Monitoring Committee, and the fact that there is no dedicated Rural Development Programme Monitoring Committee, we are concerned that the extremely brief periods of time during which RDP measures are presented and discussed have not allowed sufficient time for proper consideration to take place.	Concerns are noted. The current PMC replaced the two separate PMCs that oversaw the implementation of the 2007-2013 Structural Fund and Rural Development Programmes. We accept that combining the two former PMCs into a single entity has entailed addressing a number of challenges. A paper was provided for debate at the September 2016 PMC meeting with various alternatives put forward for discussion. As a result of the discussion there was no appetite to increase the length of meetings with further discussion needed as to whether a 'working group' format for key issues could be adopted.

Annex A: Table of PMC comments received on the 2016 Annual Implementation Reports and WEFO's responses

No.	Annual Implementation Report						Comment	Response
	Section	WWV ERDF	EW ERDF	WWV ESF	EW ESF	RDP		
12						X	As organisations representing tens of thousands of farmers and other rural businesses across Wales, we are duty bound to express the concerns of our members regarding the apparent lack of progress in some areas of RDP implementation. We highlight the very significant contribution that RDP funds have to make to the vitality of farm businesses in Wales - businesses that underpin the economic, social, cultural and environmental well-being of rural Wales. We would be pleased to work with the Managing Authority to address the issues identified.	Concerns are noted. The Welsh Government will take into consideration the points raised.