

WALES PROGRAMME MONITORING COMMITTEE

EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020

Date: 2 December 2016

Time: 9.30am

Venue: Welsh Government Offices, Merthyr Tydfil

AGENDA

- | | | | |
|-----|---|---------------|-------------|
| 1. | Welcome and apologies | 09:30 - 09:35 | |
| 2. | Minutes of September meeting, actions and other matters arising | 09:35 - 09:40 | WPMC(16)M12 |
| 3. | Update on ESI Funds Progress, including portfolio development | 09:40 - 10:00 | |
| | <u>To include:</u> | | |
| | (a) Welsh Government Rural Development Programme | 10:00 - 10:25 | WPMC(16)81 |
| | (b) ERDF Programmes | 10:25 - 10:50 | WPMC(16)82 |
| | (c) ESF Programmes | 10.50 - 11:15 | WPMC(16)83 |
| 4. | Structural Funds Programme Modification | 11:15 – 11.25 | WPMC(16)84 |
| | **Break 11:25am – 11:35am** | | |
| 5. | Update on RDP Modification | 11:35 – 11:45 | |
| 6. | Changes to the RDP Selection Criteria | 11:45 – 11:55 | WPMC(16)85 |
| 7. | Agreement required: ERDF out-of-area activities | 11:55 – 12:15 | WPMC(16)86 |
| 8. | Monitoring & Evaluation Strategy – update on progress | 12:15 – 12:20 | WPMC(16)87 |
| 9. | RDP ex post evaluation | 12:20 – 12:40 | |
| 10. | EU Transition | 12:40 – 13:40 | |
| 12. | AOB | 13:40 – 13:45 | |
| | [Paper to note]: Cross Cutting Themes: Tackling Poverty Annual Report | | WPMC(16)88 |

****Lunch 13:45 – 14:15****

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

Friday 9 September 2016
Welsh Government, Merthyr Tydfil

Meeting Notes

ITEM 1: Welcome and apologies

1. The Chair welcomed members and advised that Guus Muijzers, DG REGIO, will be taking over responsibility from Kristina Kuzmonova as the UK Desk Officer responsible for the Welsh ERDF programmes.
2. Attendees and apologies are listed at **Annex A**.

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

3. The minutes of the 12 February and 8 July meeting were agreed as a true and accurate record. There were no other matters arising.

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

Overview of Progress

4. Damien O'Brien presented an overview of programme progress since the February PMC:
 - 43% of Structural Funds committed
 - 49 Structural Funds operations approved (113 approved in total)
 - 74 operations in business planning stage
 - 40% of Rural Development Programme (RDP) committed
 - 15 RDP schemes launched
5. Noteworthy events since the February PMC were outlined:
 - Outcome of the EU referendum and extraordinary meeting of the PMC, 8 July.
 - Closure of 2007-2013 programmes is progressing well. All projects are closed and on course for full drawdown.
 - WEFO designated as the Managing and Certifying Authority for the 2014-2020 Structural Funds.
 - Successful Europe day 2016 campaign – social media exercise resulted in almost 1 million views of positive Europe Day/ EU funds messages by over 250,000 people.
 - EU Funding Ambassadors final report published, March 2016.

- The planning rate used by WEFO for converting the Programme allocation to sterling had been reviewed in light of exchange rate fluctuations. The updated rate of £1:€1.25 is reflected in the update papers.
- First meeting of the Wales Rural Network steering group took place, 16 June.
- Rural Community Development Fund Periscope Live-streaming event held in May and a LEADER scheme event was held in August focussing on Trans-national and Inter-territorial Co-operation and Theme 5: Exploitation of Digital Technology.
- With regard to socio-economic scheme windows under the RDP, applicants who were successful at EOI stage have been invited to progress to the next stage and submit full applications.

6. Members were also updated on two important developments since the last PMC:

- UK and Welsh Government have begun preparations for EU transition planning. A new Taskforce, established by BEIS has been created involving all UK Managing Authorities and the First Minister has established a new Cabinet sub-committee on European transition and a European Advisory Group, consisting of business representatives and other experts who will advise the Welsh Government.
- The recent UK Government funding guarantee covers EU structural and rural funding commitments that will have been made by the Welsh Government prior to this year's Autumn Statement, including full funding for those contracted projects which continue beyond the UK's departure from the EU. It also provides a similar guarantee of EU investments made through European Territorial Co-operation programmes, such as the Ireland Wales programme. The guarantee for directly managed programmes, such as Horizon 2020, underwrites funding commitments made while we remain in the EU. CAP direct payments would be covered until '2020'. Ministers will continue to press for a 'full guarantee' covering all project expenditure committed up to the time of exit, however the commitment does provide some certainty for beneficiaries going forward.

7. Key priorities for the period ahead include:

- Maximise commitment levels across all programmes and continue 'business as usual'.
- Submission of the first RDP modification to the EC.
- Complete closure of 2007-2013 programmes.
- WEFO annual event, 20 October – Cabinet Secretary for Finance and Local Government will deliver a key note address and the afternoon session will focus on evaluations.

8. In response to member's questions on the UK Government funding guarantee, Damien O'Brien advised that the guarantee will underwrite funding commitments made in the normal course of business before the autumn statement (23 November). The autumn statement is not the 'end of the story' and WEFO will continue to appraise applications and develop a pipeline of operations for

potential approval beyond this point. Operations that have the potential to be extended will still be subject to assessments on performance and contribution to outputs.

9. The UK is still a member of the EU and therefore existing rules governing the use of EU Funds remain in force and delivering approved operations and achieving expected outputs in line with agreed delivery and expenditure profiles remains the key priority.
10. One member noted that recommendations from the EU ambassadors report should be taken forward and highlighted that organisations across Wales need to engage with Welsh Government on all EU transition matters. It was noted that a new European Transition team has been established to lead and co-ordinate the Welsh Government approach.

Welsh Government Rural Communities - Rural Development Programme 2014-2020

11. Andrew Slade reported that the RDP continues to make good progress since its formal approval in May 2015. Including approvals and advertised EOI rounds, a total of £529m has been committed of which £339m is EU funding. The first set of EOI rounds resulted in 168 applications and approximately 62 from the second round.
12. Environment and Rural Affairs Department have been undertaking work on EU transition and a number of workshops have taken place with a range of stakeholders over the summer, looking at risks and opportunities. It is still 'business as usual', however the priority is to maximise funding covered by the UK Government guarantee and make best use of the funds.
13. In response to questions from members Andrew Slade advised that:
 - Communication is critical during the transition period and Welsh Government will ensure that messages on the timing of schemes and windows are highlighted to stakeholders.
 - RDP has a planning rate of £1:€1.18. This is because the RDP process differs from the Structural Funds which can set its own planning rate. As part of the programme modification due to be submitted to the EC, the planning rate will be revised to £1:€1.25 to harmonise with the other ESI funds.

ERDF Programmes

14. Sue Price advised that the ERDF programmes continue to make good progress with a further £200m ERDF committed since the February PMC. Overall commitment for both programmes is at 40% and portfolios in all priorities are developing well.
15. WEFO will continue to progress as many operations through to approval before the autumn statement provided that business plans are robust, evidence based and satisfy the normal requirements of WEFOs appraisal and selection processes.

16. The key requirement for all operations is a focus on delivery. Due to the current circumstances there is no room for slippage and operations need to ensure they are performing and delivering to profile.
17. Sue also updated members on the pipeline for each priority and noted the challenges associated with Priority 3, renewable energy and energy efficiency, in particular the development of small scale community energy schemes. This is due in part to state aid restrictions and the skills required by communities to develop and manage the schemes.
18. Members added that barriers such as navigating the planning procedures and market changes impacting the need for grants have also created further challenges. Sue added that a programme modification can be sought if required as many of the challenges arising in priority 3 are due to changes in market conditions.
19. In response to questions from Members WEFO advised that:
- The Arbed 3 operation is in development. A new team within WG is taking this forward and have a good working relationship with WEFO. It is hoped that this operation can be approved before the autumn statement.
 - A meeting with third sector beneficiaries and WEFO is planned for 28 September to discuss the paper submitted to WEFO around issues with current processes.

ESF Programmes

20. Jane McMillan reported that the ESF programmes continue to make good progress with an additional £130m committed since the February PMC, equating to an overall commitment of 47% across both programmes. All priority areas are developing well with a balanced portfolio of operations across all areas, built around a number of backbone operations. The development pipeline offers more tailored niche activity to complement and fill gaps and it is expected that commitment levels will increase before the autumn statement.
21. Participant numbers in some areas are ahead of profile and as operations submit further claims to the managing authority it will allow for performance data to be accurately captured and reported.
22. It was reiterated that approved operations need to ensure that they are delivering to agreed outcomes and there is a reliance on beneficiaries to deliver.
23. In response to questions from members WEFO advised that:
- Some areas of the ESF programme provide challenges such as targeting participants furthest from the labour market and identifying participants that could potentially become NEET.
 - In addition to capturing indicator outcomes, WEFO are also interested in quality and impact. All operations are required to undertake evaluations

and the WEFO annual event in October will focus on evaluation lessons learned and how evaluations are managed going forward.

- Operations are being encouraged to deliver and spend but there is still flexibility with the programmes to respond to changes in the labour market. A number of interventions that are already delivering, such as REACT, have the capacity to be scaled up if required and there is also the option to modify the programmes if needed.

24. Members commented that operations across all the programmes appeared wide ranging and interesting and asked how the level of commitment at this point in the programmes compared with the 2007-2013 programmes. Damien O'Brien advised that lessons had been learned from the 2007-2013 programmes and commitment levels are ahead compared to a similar point in the previous programmes and in advance of other regions within the UK. The Chair complimented WEFO on the level of professionalism in the way the 2014-2020 programmes have been structured.

ITEM 4: Rural Development Programme Modification

25. Gail Merriman informed members that WG is proposing to submit a modification to the European Commission on the Rural Development Programme and is seeking the opinion of PMC members on the proposed changes.

26. The proposed modifications set out in the paper were outlined and in response to members questions the Managing Authority advised:

- The removal of sub-measure 6.1 does not represent a change to the Needs Assessment, WG will still encourage inter-generational change in the farming industry, however the support for new and young entrants will be provided via an integrated package of training, mentoring, business support and specialist legal advice tailored to an individuals requirements resulting in more sustainable and achievable interventions.
- It was agreed to amend the wording on page 2 to read 'there was a recognition by the industry of the challenges inherent in the start-up aid tool which was not the correct mechanism to achieve the required benefits' to more accurately reflect the circumstances.
- Figures at page 50 and 53 will be checked by the Managing Authority to confirm accuracy. The total public expenditure figure on page 53 may be due to the planning rate changes and this will be confirmed with members.
- It was confirmed that the information on page 51 in relation to the Local Action Groups is correct.
- The "Current Approved" figures in the Partnership Agreement table on page 13 will be checked by WG to ensure alignment with the version of the Partnership Agreement approved on the 23 August 2016 before the RDP amendment is submitted to the EC.

27. The PMC were content with the proposed modifications provided that the issues raised by members were addressed before formal submission of the modification to the EC.

RDP selection criteria

28. Gail Merriman advised that WG is proposing to alter the selection criteria to be used for Measure 16.1: the European Innovation Partnership and M16.8: Strategic Forest Planning, Measure 16.5: the Sustainable Management Scheme and Measure 4.1: the Sustainable Production Grant scheme and is seeking the opinion of the PMC regarding these changes.
29. The proposed changes were outlined to members noting that section 1 of the paper applies to new schemes and section 2 to existing schemes. Members discussed the proposals and in response to questions the Managing Authority noted the following:
- Changes to the selection criteria for existing schemes will not impact beneficiaries who have been successful under previous EOI rounds in line with the previous selection criteria and are now preparing applications.
 - Applicants must use the version of the EOI form which is current for the window under which they are applying. Amendments will be communicated clearly to stakeholders and information on the selection criteria is updated on the WG website when each window is opened.
 - Criteria for long term sustainability for the European Innovation Partnership will be clarified in the guidance.
 - With regard to the Strategic Forest Planning, the criterion regarding an applicant's participation in a pre-application event should be clarified in the guidance or removed.
30. Marek Beran, DG AGRI, noted that for future meetings, amendments to the selection criteria should appear as a separate item on the agenda. In addition a revised consolidated version of the paper WPMC (15)56 – Annex 1 regarding the EAFRD selection criteria should be circulated to the PMC. Furthermore, comments concerning M16.1 were made – the proposed text does not seem to be in line with the current text of the RDP and, in order to regularise the situation, the Welsh Government agreed to come back to the PMC with the amendment table clearly indicating the correlations between the current selection criteria for this measure and the new ones. Finally, the Welsh Government was asked to provide a clarification how to quantify the answer to question No. 4 in the M16.8 selection criteria which concerns the participation of the bidder in a pre-application event.
31. Members gave their positive opinion to the proposed changes to the selection criteria subject to comments / changes to be taken into account.

ACTION: A revised consolidated version of the EAFRD selection criteria to be circulated to the PMC

ITEM 5: Cross Cutting Themes: Equal Opportunities and Gender Mainstreaming Annual Report

32. Chriss O'Connell provided the first annual review of progress of the implementation of the equal opportunities and gender mainstreaming cross cutting theme and highlighted the following:

- It is too early in the lifecycle of the programmes to report on the formal equality indicator however operations have committed to delivering activity to support the indicator.
- Enhancements have been made on support for the Welsh language and WEFO have been engaged with the Welsh Language Commissioner's office to highlight proactive steps being taken.
- Positive feedback has been received from beneficiaries on the new CCT approach although maintaining enthusiasm throughout the programme period will continue to be a challenge.

33. One member noted that there needs to be further clarity and a proportional approach to Welsh language requirements for small third sector organisations as they are different from the requirements for large public sector organisations such as the Welsh Government.

ITEM 6: Presentation: Swansea Bay City Region

34. Arthur Emyr from the Swansea Bay City Region (SBCR) and Helen Morgan, WLGA advisor, gave a presentation on the SBCR and the work of the Regional Engagement Team (RET). The following points were raised:

- The aim of the SBCR is to transform the region into an international digital super hub via a new trans-Atlantic cable and the focus of the board is to create economic prosperity for the City Region.
- Three themes include; Internet of Economic Acceleration, Internet of Energy and Internet of Health & Wellbeing.
- Significant progress has been made since the submission of the 'Internet Coast' City Deal bid in February and engagement with businesses and other interested parties to identify priorities for the SBCR is continuing.
- The RET support the SBCR board to understand ESI funds and facilitate the regional proofing of operations in line with regional priorities.
- One of the RETs aims is to maximise EU funds to compliment the Swansea Bay city deal.

35. In response to questions, members were advised that:

- Although this is a city deal, the rural economy is equally important and improving the digital divide between urban and rural areas is part of the vision for the region.
- The SBCR is engaging with a range of core partners including universities and although challenging, partners are realising that the vision for the region is deliverable.

36. The Chair thanked Arthur and Helen for the presentation and members noted that it was helpful to understand how the RET and the SBCR are working together to make the best use of EU funds.

ITEM 7: Future PMC format and arrangements

37. Peter Ryland advised that the paper is intended to stimulate discussion around the current PMC meeting arrangements. The formation of a single PMC for the 2014-2020 programmes has presented a number of challenges, it has required PMC members to develop understanding of a number of EU funding instruments and consider a wide range of issues in a single meeting. The managing authorities wish to ensure that the PMC remains effective and if necessary improve on the current arrangements.

38. Members discussed the paper and made the following points:

- There is no appetite to increase the meeting to all day meetings or to have the meetings split over two days.
- Some members felt the PMC could take place in different locations across Wales.
- Members receive papers 10 working days before the meeting; therefore presentations of papers should be short/ concise to allow time for discussion.
- Where more detailed discussion is needed in an area then a 'working group' format could be adopted, however all members should have the opportunity to attend such working groups and they should not be used to dilute current efforts to integrate programme delivery under the supervision of a single PMC.
- PMC has a statutory responsibility so any recommendations made in a working group would have to come back to the single PMC for agreement.

39. The Chair thanked members for their input and requested that any further comments on the paper be sent via email to the PMC Secretariat.

ACTION: Members to provide additional comments on the future PMC format and arrangements paper to the PMC Secretariat

ITEM 8: AOB

40. The Chair asked Members to note the paper on the Technical Assistance update and thanked Members for their contribution to the discussions at the meeting.

41. The next meeting will take place on 2 December 2016.

**PMC Secretariat
September 2016**

Wales PMC European Structural and Investment Funds 2014 -2020
9 September 2016
Welsh Government Office, Merthyr Tydfil

Chair – Professor Richard B Davies

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

Derek Walker	Social Economy (Wales Cooperative)
Martin Mansfield	<i>Alternate for Julie Cook - Trade Unions (Wales TUC)</i>
Karen Anthony	Rural Economy (CLA – County, Land and Business Association)
Rachel Lewis Davies	Farming and Rural businesses (NFU)
Paul Byard	Business and Enterprise (Commerce Cymru)
Rudi Plaut	Business and Enterprise (Commerce Cymru)
Fillipo Campagni	<i>Alternate for Greg Walker - Further Education (Colleges Wales)</i>
Rhian Jardine	Environmental Sustainability (Natural Resources Wales)
Barbara Burchell	<i>Alternate for Cllr Ronnie Hughes - Local Government (WLGA)</i>
Lowri Gwilym	Local Government (WLGA)
Jocelyn Llewellyn	UK Government (Jobcentre Plus)
Matthew Quinn	Welsh Government (Economy, Skills and Natural Resources)
Matt Brown	<i>Alternate for Phil Fiander – Third Sector (WCVA)</i>
Alyson Thomas	<i>Alternate for Dr David Blaney – Higher Education (HEFCW)</i>

Members selected via the Public appointments process:

Beth Winkley
Dr Grahame Guildford
Sian Price

Advisors:

Marek Beran	European Commission, UK Desk Officer responsible for the 2014-2020 Programme, DG Agri
Guus Muijzers	European Commission, UK Desk Officer responsible for the 2014-2020 Programmes, DG Regio
Kristina Kuzmanova	European Commission, UK Desk Officer responsible for the 2014-2020 Programmes, DG Regio
Joanna Gawrylczyk-Malesa	European Commission, Desk Officer for ESF Programmes, DG Employ.

Programme Managing Authorities:

Welsh European Funding Office / Department for Economy, Skills and Natural Resources

Damien O'Brien	Chief Executive, WEFO (ERDF, ESF)
----------------	-----------------------------------

ATTENDANCE AND APOLOGIES**WPMC(16)M12 - ANNEX A**

Andrew Slade	Director, Agriculture, Food and Marine (RDP)
Gail Merriman	Head of Policy (RDP)
Peter Ryland	Deputy Director, Programme Performance & Finance (ERDF, ESF)
Sue Price	Head of ERDF Programmes
Jane McMillan	Head of ESF Programmes
Chriss O'Connell	Head of Cross Cutting Themes Branch
Lois Wilson	Secretariat
Tiffany Edmunds	Secretariat

Guest Presenter:

Arthur Emyr	Swansea Bay City Region
Helen Morgan	Economic Development Manager, Carmarthenshire County Council & WLGA Advisor

APOLOGIES

Tom Whyatt	Business and Enterprise (Industry Wales)
Dr David Blaney	Higher Education (HEFCW)
Phil Fiander	Third Sector (WCVA)
Duncan Hamer	Welsh Government (Economy, Skills and Natural Resources)
David (Dai) Davies	Public Appointee
Joy Kent	Public Appointee
Cath Jenkins	Welsh Government (Economy, Skills and Natural Resources)
Cllr Ronnie Hughes	Local Government (WLGA)
Lowri Owain	LEADER
Arfon Williams	Environmental NGOs (Wales Environment Link /RSPB)
Peter Crews	Trade Unions (Wales TUC)

Meeting date	Action Requested	Latest Situation
09 September 2016	A revised consolidated version of the EAFRD selection criteria to be circulated to the PMC.	Annex 2 of paper WPMC(16)85 refers. In addition revised WPMC(16)M77Annex 1 circulated to members on 18 November 2016 with 2 December PMC papers.
09 September 2016	Members to provide additional comments on the future PMC format and arrangements paper to the PMC Secretariat.	No further comments received.

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

PROGRAMME MONITORING REPORT

Overview

This paper provides an update on the implementation of the European Structural and Investment Funds Programmes: the Rural Development Programme 2014-2020, the West Wales and the Valleys ERDF and ESF Programmes and the East Wales ERDF and ESF Programmes. Fund-specific reports can be found at Annexes 1 to 3. All data is at 31/10/2016. The planning rates used in the report are £1:€1.25 for the Structural Funds Programmes and £1:€1.18 for the Rural Development Programme 2014-2020. References to the previous PMC meeting given throughout refer to the September 2016 PMC meeting.

Overall position

- 128 operations worth £1,944m (including EU funding of £935m), are currently being supported by the Structural Funds and will assist over 41,500 businesses and provide training/employment support for over 288,600 people.
- The RDP 2014-2020 currently supports a total of 6,877 agri-environment contracts, covering 676,469ha, along with 553 new organic contracts covering 68,440ha.

Financial progress

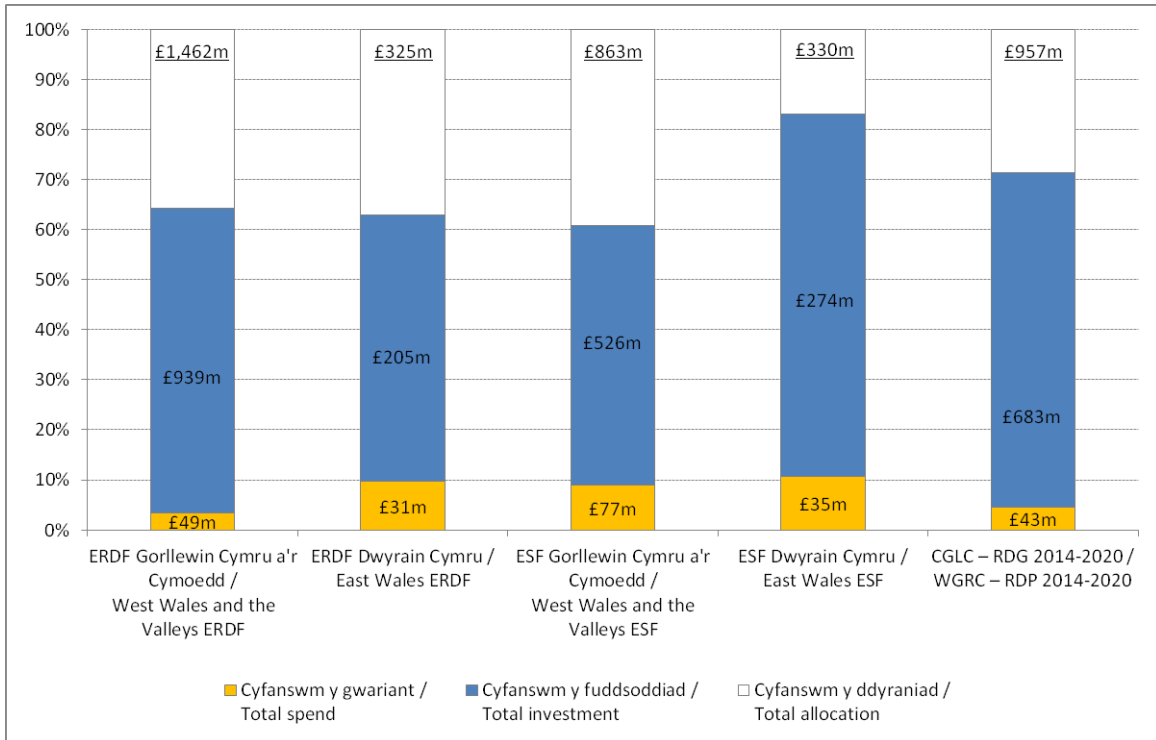
Commitment

- Under the ERDF Programmes, total commitment currently stands at £1,144m (64% of the total allocation), of which £551m is EU funding (49% of the EU allocation).
- Under the ESF Programmes, total commitment currently stands at £800m (67% of the total allocation), of which £384m is EU funding (48% of the EU allocation).
- Under RDP2014-2020, total commitment (including approvals and EOI rounds) currently stands at £683m (71% of programme value) of which £387m is EU funding.

Spend

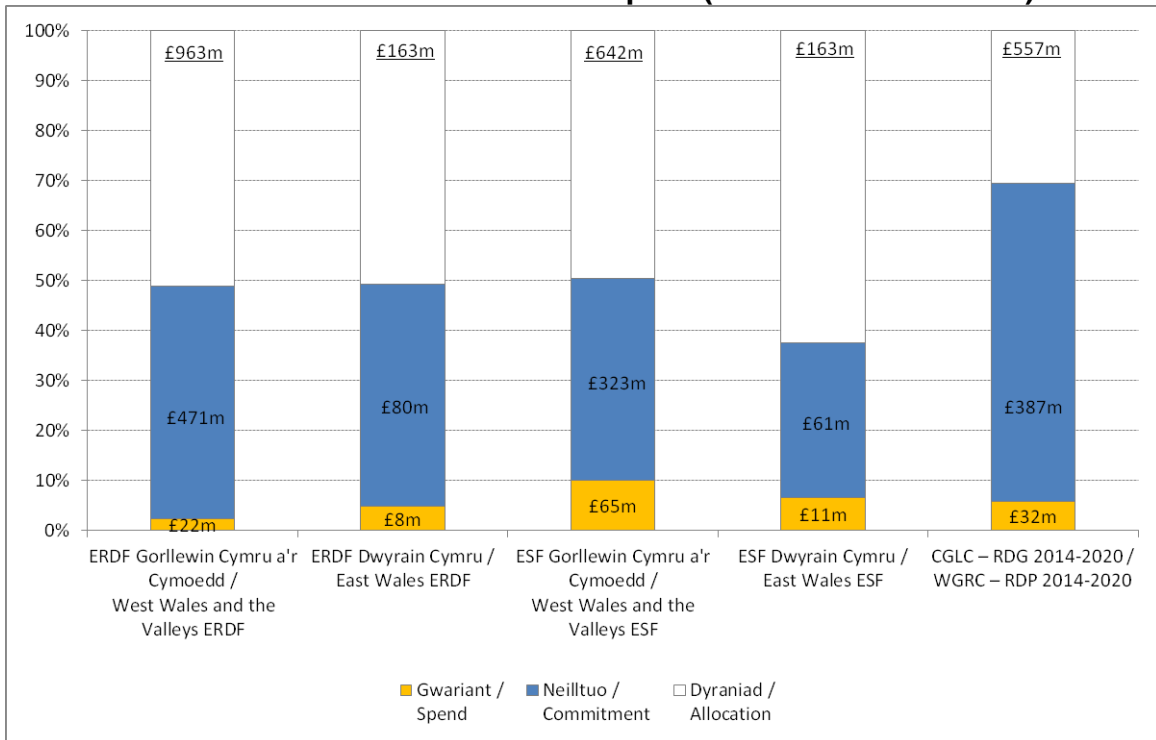
- Around £80m of total spend has been recorded under the ERDF Programmes, of which £29m is EU funding
- Around £112m of total spend has been recorded under the ESF Programmes, of which £75m is EU funding
- Just under £43m spend has been recorded across the RDP2014-2020 of which £32m is EU Funding.

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	Achieved to date
ERDF			
Enterprises supported	45,512	41,510	3,013
<i>of which</i>			
Enterprises created	7,400	10,028	1,375
Employment increase in supported enterprises	26,980	33,549	1,724
Amount of research funding secured	£230m	£92m	£26m
Increase in level of export	£233m	£215m	£0m
Additional capacity of renewable energy production	28	1	-
Number of households with improved energy consumption classification	9,700	-	-
Public transport services created or improved	2,920,000 vehicle km	-	-
ESF			
People assisted	434,100	288,650	48,979
<i>of which</i>			
Young people assisted	150,000	76,246	10,836
People supported into employment	40,642	32,110	2,054
People gaining qualifications	194,633	148,921	806
EAFRD			
Physical area supported	688,000	528,010	676,469
People in training	13,000	9,720	-
Agricultural holdings supported	3,773	542	553

Source: Welsh Government, 31/10/2016

Annexes

Annex 1: ERDF Update

Annex 2: ESF Update

Annex 3: WGRC-RDP 2014-2020 Update

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, along with the potential EU Grant committed if Operations at Business Planning and Pre Planning stages are taken forward.

Table 1: EU Grant Commitment: Approved, Business Planning and Pre Planning stages

Programme / Priority Axis	Operations			EU Grant Commitment			
	Approved	Business Planning	Pre Planning	Allocation*	Approved	Business Planning	Pre Planning
					£ Millions		
West Wales and the Valleys ERDF							
Priority 1	15	3	1	239.5	176.7	27.3	7.0
Priority 2	7	0	0	166.4	146.4	-	-
Priority 3	3	7	5	136.7	16.6	72.1	30.8
Priority 4	9	11	3	401.0	126.1	122.3	103.0
Priority 5	6	1	0	19.3	5.2	11.3	-
Total	40	22	9	962.8	471.0	233.0	140.8
East Wales ERDF							
Priority 1	6	2	0	71.3	43.3	17.2	-
Priority 2	7	1	0	31.9	26.6	5.0	-
Priority 3	0	1	1	17.9	-	3.5	0.5
Priority 4	2	0	1	38.3	9.3	-	28.9
Priority 5	5	1	0	3.3	1.0	1.6	-
Total	20	5	2	162.6	80.2	27.3	29.4
Total ERDF	60	27	11	1,125.5	551.2	260.3	170.2

Source: WEFO, 31/10/2016

* EU Grant Allocation based on conversion rate of £1:€1.25

Overall Programme Update

The two ERDF Programmes continue to make good progress with 60 operations approved committing £551 million grant being 49% of the programme values an increase of £114 million grant since the PMC met in September 2016. Apart from Priority 3 – Energy in East Wales operations have been approved across all Priorities including Priority 4 – Connectivity.

Section 2: Progress by Priority Axis

Priority 1: Research and Innovation

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ERDF Approved		Operations	Indicative Allocation	ERDF Approved	
SO1.1: Research capacity	5	£95.8m	£68.8m	72%	3	£26.9m	£18.2m	68%
SO1.2: Commercialisation	10	£143.7m	£107.9m	75%	3	£44.4m	£25.1m	57%
Total Priority 1	15	£239.5m	£176.7m	74%	6	£71.3m	£43.3m	61%

Source: WEFO, 31/10/2016

Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ERDF Approved	Total investment	ERDF Approved
SEACAMS 2 (Bangor University)	£17.0m	£12.0m		
AgorIP (Swansea University)	£13.5m	£4.7m		

The Research and Innovation portfolio continues to develop well with 70% of available resources committed across the two programmes. The focus thus far has been on developing and approving strategic and/or backbone operations which will deliver key elements of the R&I portfolio; the aim of which is to support a step change in the knowledge economy in Wales. There is a good spread of investments across both Specific Objectives (building research capacity and commercialising R&D).

To further build on this focus a call for innovative proposals that can successfully translate research and innovation into new and improved commercial products, processes and services was launched on 20 October. Around £40 million of ERDF is being made available for this call (£30 million in West Wales and the Valleys and £10 million East Wales) for proposals that will include a strong industrial pull and deliver on the key outcomes such as increasing employment and delivering new products, and clearly add value to existing public and private sector activity. The call will close on 31 January 2017. Members can find more information on the call on the WEFO pages of the Welsh Government website.

Table 2: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	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	£64m	£9m	£65m	£28m	£17m
	Number of enterprises cooperating with supported research institutions	160	52	-	90	13	-
	Number of improved research infrastructure facilities	6	4	-	2	1	1
	Number of new researchers in supported entities	470	91	-	290	59	16
	Number of researchers working in improved research infrastructure facilities	200	128	-	110	61	37
SO1.2 To increase the successful translation of research and innovation processes into new and improved commercial products, processes and services, in particular through improved technology transfer from HEIs	Number of enterprises supported to introduce new to the market products	490	166	-	300	67	-
	Number of enterprises supported to introduce new to the firm products	725	369	-	440	117	-
	Number of enterprises cooperating with supported research institutions	1,212	499	2	715	117	-
	Number of enterprises receiving grants	520	342	-	320	305	-
	Number of enterprises receiving non-financial support	3,750	1,080	35	2,245	435	16
	Number of new enterprises supported	30	28	-	20	-	-
	Private investment matching public support in innovation or R&D projects	€42.8m	€46.0m	€0.0m	€26.2m	€25.5m	€0.0m
	Employment increase in supported enterprises	1,125	467	-	670	136	-
	Number of patents registered for products	519	206	-	315	75	-
	Number of pilot projects completed	n/a	48	-	n/a	-	-
	Enterprises adopting or improving:						
	- equality and diversity strategies and monitoring systems	956	-	-	515	-	-
	- sustainable development strategies and monitoring systems	956	-	-	515	-	-

Source: WEFO, 31/10/2016

There are some variances within this priority 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 recent announced call will specifically look for proposals that can deliver key SO 1.2 indicators. 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). Output data is now being submitted but still being verified, so therefore provisional at this stage.

Priority 2: SME Competitiveness

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	£54.9m	£74.8m	136%	1	£8.6m	£8.0m	93%
SO2.2: Start-ups	1	£13.7m	£18.6m	136%	1	£3.3m	£6.2m	188%
SO2.3: ICT take up and exploitation	1	£8.7m	£5.2m	60%	1	£1.3m	£1.7m	131%
SO2.4: Employment Growth in SMEs	3	£73.2m	£27.0m	37%	3	£16.1m	£8.3m	51%
SO2.5: Risk Capital Finance	1	£15.9m	£20.7m	130%	1	£2.6m	£2.4m	92%
Total Priority 2	7	£166.4m	£146.4m	88%	7	£31.9m	£26.6m	83%

Source: WEFO, 31/10/2016

Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ERDF Approved	Total investment	ERDF Approved
Social Business Growth Fund (Wales Council for Voluntary Action)	£3.0m	£1.8m	£1.0m	£0.5m

An integrated portfolio has been developed around operations that make up the 'Business Wales Family' encompassing Welsh Government, Wales Co-Operative Centre and Finance Wales. The WCVA has recently joined the 'Family' with the recent approval of the Social Business Growth Fund.

The Business Wales Fund, a Financial Instrument, was formally launched in September 2016. The Fund has got off to a good start having already made investment worth nearly £2 million. The concentration of a small number of high impact operations (to-date 14 operations operating across the two programming areas) does bring with it some risks because whilst strategically the operations collectively plan to deliver a high economic impact it would only take for one operation to under-perform or fall behind and the performance of the Priority might be at risk. Mitigating action is in place with regular and challenging review meetings underway, annual independent delivery reviews from year three onwards, the recommendations of which will trigger future years support and the introduction of an annual stakeholder event with all the beneficiaries and their 3rd party contractors for the Business Wales family operations including the Fund Managers for the Business Wales Fund and representatives from Farming Connect to support integration between the ERDF Programmes and the RDP.

The first of these events took place on 16 September where WEFO took the opportunity to get the message across not just to beneficiaries but to their third party deliverers that whilst spending the money is important so is delivery and the reporting of indicators. All deliverers reported on good progress being made in terms of on the ground delivery but did understand the clear message of converting spend into indicator reporting.

Table 3: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date ¹	Target	Project Forecast	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	£172.1m	£0.0m	£25.9m	£45.7m	£0.0m
	Number of enterprises receiving grants	160	-	-	45	-	-
	Number of enterprises receiving financial support other than grants	235	296	-	65	122	-
	Private investment matching public support to SMEs - Non-grants	€132.0m	€93.5m	€0.0m	€37.3m	€10.8m	€0.0m
	Employment increase in supported enterprises	2,300	2,541	-	650	1,128	-
	Enterprises adopting or improving:						
	- sustainable development strategies and monitoring systems	190	167	-	60	-	-
	- equality and diversity strategies and monitoring systems	190	194	-	25	-	-
SO2.2 To increase the number of SME start-ups through the provision of information, advice and guidance and support for entrepreneurship	Number of new enterprises supported	5,150	6,000	937	2,200	4,000	438
	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	-	-	3,100	-	-
	Individuals receiving support - BME individuals	375	-	-	445	-	-
	Individuals receiving support - Disabled individuals	3,650	-	-	1,350	-	-
	Employment increase in supported enterprises	8,800	10,250	660	3,800	6,750	280
	Enterprises adopting or improving:						
- sustainable development strategies and monitoring systems	2,710	1,500	-	465	1,000	-	
- equality and diversity strategies and monitoring systems	2,710	1,500	1	1,165	1,000	1	
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	-	400	400	-
	Number of enterprises receiving non-financial support	3,450	3,823	170	900	1,094	230

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

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date ¹	Target	Project Forecast	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	645	2,550	4,606	139
	Number of enterprises receiving grants	40	30	-	10	15	-
	Number of enterprises receiving financial support other than grants	330	-	-	115	-	-
	Number of enterprises receiving non-financial support	13,650	12,400	774	5,400	8,170	411
	Private investment matching public support to SMEs - Grants	€4.3m	0	-	€2.2m	0	-
	Private investment matching public support to SMEs - Non-grants	€6.6m	-	-	€3.4m	-	-
	Increase in level of export	£167.1m	£130.0m	£0.0m	£65.9m	£85.0m	£0.0m
	Enterprises adopting or improving:						
	- sustainable development strategies and monitoring systems	8,700	5,000	10	1,300	3,300	-
	- equality and diversity strategies and monitoring systems	8,700	5,000	16	3,200	3,300	1
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	£48.9m	£0.0m	£7.2m	£9.8m	£0.0m
	Number of enterprises receiving financial support other than grants	90	49	-	25	-	-
	Private investment matching public support to SMEs - Non-grants	€23.8m	€25.9m	€0.0m	€14.1m	€3.3m	€0.0m
	Employment increase in supported enterprises	490	361	-	145	95	-
	Number of enterprises supported to introduce new to the firm products	20	33	-	5	8	-
	Enterprises adopting or improving:						
	- sustainable development strategies and monitoring systems	45	15	-	5	-	-
	- equality and diversity strategies and monitoring systems	45	18	-	13	-	-

Source: WEFO, 31/10/2016

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

Achieved to date output data are provisional figures and are going through the verification process. Output only claims will be submitted by Finance Wales to measure the investment rate of the 'Fund' against SO 2.1 and SO 2.5 and to trigger the next draw-down of EU support.

Priority 3: Renewable Energy and Energy Efficiency

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ERDF Approved		Operations	Indicative Allocation	ERDF Approved	
SO3.1: Marine Energy	3	£80.3m	£16.6m	21%	n/a	n/a	n/a	n/a
SO3.2: Community Energy (SO3.1 EW)	0	£18.7m	£0.0m	0%	0	£3.6m	£0.0m	0%
SO3.3: Energy Efficiency in Housing (SO3.2 EW)	0	£37.6m	£0.0m	0%	0	£14.3m	£0.0m	0%
Total Priority 3	3	£136.7m	£16.6m	12%	0	£17.9m	£0.0m	0%

Source: WEFO, 31/10/2016

Approvals since the last PMC

No approvals since the previous PMC.

This Priority is an innovative area of the programmes and whilst progress is proving to be more challenging than planned, some 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. This was reiterated at the Ocean Energy Europe conference in Brussels in November where the announcement of a new body Marine Energy Wales was made. Marine Energy Wales will help drive forward the development of this new industry bringing together expertise across government, industry and academia to further develop the industry in Wales. Development work takes time but by bringing expertise together it is anticipated progress will be made in delivering projects in the Welsh water. Overall the pipeline in West Wales and the Valleys is good to help the programme achieve this

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 fuel poverty. Workshops around Wales have taken place to raise the awareness of available funds from the EU for small scale community renewable energy schemes and a number of potential schemes are being considered albeit there remains limited interest in East Wales. The next event is on 9 December and WEFO will take stock early 2017 and consider the best options for the use of the available resources.

Table 4: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	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
	Energy support site preparation schemes	2	1	-	n/a	n/a	n/a
	Number of renewable energy prototypes tested	8	3	-	n/a	n/a	n/a
	Community energy schemes	37	-	-	3	-	-
	Number of enterprises receiving non-financial support	150	-	-	70	-	-
SO3.2 To increase the number of small scale renewable energy schemes established	Number of enterprises supported to introduce new to the firm products	75	-	-	35	-	-
	Number of pilot projects completed	4	-	-	3	-	-
(SO3.1 East Wales)	Additional capacity of renewable energy production (MW)	n/a	n/a	n/a	8	-	-
	Energy support site preparation schemes	n/a	n/a	n/a	1	-	-
	Number of renewable energy prototypes tested	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	-	-	4,200	-	-
	Estimated decrease of GHG	10	-	-	5	-	-
(SO3.2 East Wales)							

Source: WEFO, 31/10/2016

At this stage it is too soon to make any firm judgements around indicator delivery. Taking into account those operations under development, there are no immediate concerns about the outputs and it appears good progress is being made across the outputs, even taking into account the innovative nature of the Priority and that the operations funded are capital builds where reporting on achievement will come later on in the programming period.

Priority 4: Connectivity and Urban Development

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ERDF Approved		Operations	Indicative Allocation	ERDF Approved	
SO4.1: Roads	0	£85.1m	£0.0m	0%	n/a	n/a	n/a	n/a
SO4.2: Public Transport (SO4.1 EW)	2	£137.7m	£19.0m	14%	0	£28.9m	£0.0m	0%
SO4.3: ICT Infrastructure (SO4.2 EW)	2	£44.6m	£19.9m	45%	2	£9.4m	£9.3m	99%
SO4.4: Strategic Sites	5	£133.7m	£87.3m	65%	n/a	n/a	n/a	n/a
Total Priority 4	9	£401.0m	£126.1m	31%	2	£38.3m	£9.3m	24%

Source: WEFO, 31/10/2016

Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ERDF Approved	Total investment	ERDF Approved
Superfast Broadband Infill (Welsh Government)	£21.1m	£13.8m	£14.2m	£7.1m
Ultrafast Broadband (Welsh Government)	£9.2m	£6.0m	£4.4m	£2.2m
Strategic Employment Sites (Welsh Government)	£20.8m	£11.6m		
Port Talbot Transport Hub (Neath Port Talbot County Borough Council)	£5.3m	£2.5m		
Property Infrastructure Fund (Welsh Government)	£20.0m	£7.0m		
Vet Hub 1 (Aberystwyth University)	£4.6m	£3.0m		

Investment in connectivity and enabling infrastructure are the two most important levers to achieve transformational change. Infrastructure tends to be one of the most time-consuming elements to develop and approve but never-the-less approvals have been made across both programming regions. Like Priority 3 there is limited eligible activity to be supported under Priority 4 of the East Wales programme (which solely concentrates on Broadband and Metro).

Certain activities within the Connectivity Priority for West Wales and the Valleys programme have to be regionally prioritised. The approved Tourism Attractor Destination operation underwent this prioritisation and two projects supported by this backbone operation have recently been approved being Rock UK and Colwyn Bay Waterfront. A number of other individual projects that make up this 'backbone' operation are in the business planning phase with a schedule for approvals expected over the next few months. Building for the Future has been approved and the first of the regionally prioritised Sites and Premises 'gap' fillers are in WEFO's business planning phase.

The Welsh Government Transport Department continues to make steady progress in evaluating Metro Phase 2 options which will seek ERDF support. Metro Phase 2 will be a major project, as defined in the EU Structural Fund Regulations, and will need

to be approved by the European Commission. The Commission has introduced a new approach to the assessment process of major projects which will involve the engagement of JASPERS experts (**J**oint **A**ssistance to **S**upport **P**rojects in **E**uropean **R**egions). Member States are encouraged to engage with the JASPERS as early as possible in the development of major projects and to that end constructive meetings between WEFO, Welsh Government Transport and JASPERS' have taken place including with frequent telephone conference calls between JASPERS, WEFO and Welsh Government.

JASPERS will act in an advisory capacity throughout the development of a Metro Phase 2 major project and a Service level Agreement between WEFO and JASPERS has been drawn-up and signed. WEFO believes that engagement with JASPERS in an advisory capacity throughout the development of a major project is likely to achieve faster overall appraisal of the major project documentation and secure a positive IQR outcome.

Table 5: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	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	-	-	n/a	n/a	n/a
	Footpath or cycleway created or reconstructed	10	-	-	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	-	-
SO4.2 Increasing urban and labour mobility to and from key urban and employment centres	Total length of new railway line (including TEN-T)	15	-	-	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	-	-

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	Achieved to date
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	-	28,000	46,801	-
	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	-	n/a	43,494	-
(SO4.2 East Wales)	Jobs accommodated	1,770	2,260	-	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	95	-	n/a	n/a	n/a
	Premises created or refurbished	56,430	124,114	-	n/a	n/a	n/a
	SMEs accommodated	235	229	-	n/a	n/a	n/a

Source: WEFO, 31/10/2016

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 appear to be on track.

Priority 5: Technical Assistance

	West Wales and the Valleys			East Wales		
	Operations	Indicative Allocation	ERDF Approved	Operations	Indicative Allocation	ERDF Approved
Total Priority 5	6	£19.3m	£5.2m 27%	5	£3.3m	£1.0m 30%

Source: WEFO, 31/10/2016

Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ERDF Approved	Total investment	ERDF Approved
IB WG E and ITA Revenue (Welsh Government)	£3.4m	£3.0m	£2.80m	£0.75m
Mid Wales Regional Engagement Team	£0.275m	£0.206m	£0.059m	£0.029m

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 regionally proofing and engagement on ESF operations. Two operations are in the Business Planning phase, and these WEFO TA bids are expected to be approved by the end of November.

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, along with the potential EU Grant committed if Operations at Business Planning and Pre Planning stages are taken forward.

Table 1: EU Grant Commitment: Approved, Business Planning and Pre Planning stages

£ Millions							
Programme / Priority Axis	Operations			EU Grant Commitment			
	Approved	Business Planning	Pre Planning	Allocation*	Approved	Business Planning	Pre Planning
West Wales and the Valleys ESF							
Priority 1	10	4	0	156.8	68.8	2.3	-
Priority 2	16	7	4	276.5	151.2	16.4	-
Priority 3	11	10	3	195.8	96.3	35.7	-
Priority 4	5	1	0	12.8	6.9	8.9	-
Total	42	22	7	641.9	323.2	63.2	-
East Wales ESF							
Priority 1	4	6	1	35.0	10.0	3.4	-
Priority 2	10	6	3	76.4	24.3	17.3	-
Priority 3	8	9	1	48.0	25.5	9.2	-
Priority 4	4	1	0	3.3	1.1	2.0	-
Total	26	22	5	162.6	60.9	32.0	-
Total ESF	68	44	12	804.5	384.2	95.2	-

Source: WEFO, 31/10/2016

* EU Grant Allocation based on conversion rate of £1:€1.25

Overall Programme Update

Commitment is now at 47% across both programmes with £384 million ESF approved across 68 operations. The pace of commitment across both programmes has slowed since the last PMC with only a further £7m ESF committed. This reflects the concentration on approval of smaller niche projects which complement and gap fill around the Priority backbone projects.

All 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 still under development have the potential to commit a further £95m and offer more tailored niche activity to fill gaps in either the range of provision on offer or targeted client group.

The programmes have engaged with over 47,000 participants to date.

Section 2: Progress by Priority

Priority 1: Tackling Poverty through Sustainable Employment

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	£36.9m	£12.4m	34%	n/a	n/a	n/a	n/a
SO1.2: Inclusion & Engagement in LM (SO1.1 EW)	8	£96.2m	£53.1m	55%	4	£35.0m	£10.0m	29%
SO1.3: Helping People stay in work	1	£23.6m	£3.3m	14%	n/a	n/a	n/a	n/a
Total Priority 1	10	£156.8m	£68.8m	44%	4	£35.0m	£10.0m	29%

Source: WEFO, 31/10/2016

Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ESF Approved	Total investment	ESF Approved
OPUS (Conwy County Borough Council)	£5.9m	£4.8m		

A further £4.8 million ESF has been approved in the WWV programme area since the last PMC meeting taking the Priority commitment to 44% in WWV and 29% in EW. 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. The further £4.8 million ESF has been approved to the regional local authority led **OPUS** operation in north Wales under Specific Objective 2 in WWV led by Conwy County Borough Council and involving Anglesey, Gwynedd and Denbighshire local authorities.

Table 1: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	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	-	-	n/a	n/a	n/a
	Individuals impacted by redundancy	12,001	7,786	1,124	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%	0%	0%	n/a	n/a	n/a
	Short term unemployed participants with low skills or a work limiting health condition or disability gaining a qualification upon leaving	50%	0%	0%	n/a	n/a	n/a
	Individuals impacted by redundancy in employment upon leaving	55%	50%	76%	n/a	n/a	n/a
	Individuals impacted by redundancy gaining a qualification upon leaving	70%	72%	0%	n/a	n/a	n/a

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	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	40,006	1,513	12,700	12,752	154
	Long-term unemployed (aged 25 and over) who have complex barriers to employment	10,800	15,142	499	3,800	4,966	206
	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%	6%	20%	17%	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%	6%	25%	13%	26%
	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%	29%	8%	50%	25%	4%
	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%	19%	0%	54%	23%	0%
	Long-term unemployed (aged 25 and over) who have complex barriers to employment entering employment including self employment upon leaving	25%	16%	0%	25%	16%	0%
	Long-term unemployed (aged 25 and over) who have complex barriers to employment gaining a qualification or work relevant certification upon leaving	50%	28%	10%	50%	20%	1%
Long-term unemployed (aged 25 and over) who have complex barriers to employment increasing employability through completing work experience placement or volunteering opportunity	54%	16%	4%	53%	21%	1%	

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	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	6	n/a	n/a	n/a
	Underemployed participants with barriers to full employment	4,000	-	-	n/a	n/a	n/a
	Number of micro small and medium-sized enterprises supported	2,000	-	-	n/a	n/a	n/a
	Workplace health programmes	300	130	-	n/a	n/a	n/a
	Supported enterprises having adopted or improved equality and diversity strategies and monitoring systems	50%	0%	0%	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%	100%	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%	0%	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%	n/a	n/a	n/a	

Source: WEFO, 31/10/2016

Forecast numbers of participants generally outstrips programme targets when compared to proportion of funding allocated. For example 65% of the target for individuals impacted by redundancy (SO1.1 under WW&V) is expected to be reached, having committed just 34% of available funding. To date over 3,000 participants have been engaged by Priority 1 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. ReACT responds directly to the demand level within the labour market. The low take up can therefore be partly attributed to the current strength of the labour market (as demonstrated by the higher than anticipated conversion to employment outcomes) and the lower levels of redundancies than originally 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.

Long term Unemployed and Economically Inactive (SO1.2 WWV and SO1 EW): the forecast commitment levels show a strong portfolio against targets within the programme. The seemingly low participant numbers engaged to date reflect the longer than anticipated timespans to get systems up and running and delivery underway and 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 will be realised later in delivery.

Underemployed and employed with Work limiting Health Conditions (SO3 WWV): again, delivery is slightly lower than expected at this stage because of longer than anticipated timescales in getting delivery in place.

Priority 2: Skills for Growth

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ESF Approved		Operations	Indicative Allocation	ESF Approved	
SO2.1: Basic Skills	5	£133.3m	£48.0m	36%	3	£50.0m	£8.3m	17%
SO2.2: Adaptability and Progression	8	£83.2m	£61.6m	74%	6	£22.5m	£14.2m	63%
SO2.3: Research & Innovation	2	£42.8m	£35.4m	83%	n/a	n/a	n/a	n/a
SO2.4: Gender Equality (SO2.3 EW)	1	£17.1m	£6.3m	37%	1	£3.9m	£1.8m	45%
Total Priority 2	16	£276.5m	£151.2m	55%	10	£76.4m	£24.3m	32%

Source: WEFO, 31/10/2016

Approvals since the last PMC

None since previous PMC.

No new operations have been approved since the last PMC. A further £0.8 million ESF has been committed in the WWV programme to the existing **Materials and Manufacturing Academy** operation, led by Swansea University, to support additional participants. This takes the Priority level commitment to 55% in WWV and 32% in EW. The portfolio of operations to date build on the achievements of the 2007-2013 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 2: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	Achieved to date
	Employed including self-employed participants with no formal qualifications - Male	14,029	3,458	137	7,799	1,651	-
	Employed including self-employed participants with no formal qualifications - Female	12,771	3,423	85	7,101	1,843	-
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Male	23,870	12,911	4,599	13,296	8,530	2,088
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Female	21,730	15,034	4,349	12,104	10,237	2,146
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 gaining an essential skills or technical or job specific qualification upon leaving - Male	72%	75%	40%	72%	76%	0%
	Employed including self employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - Female	72%	76%	45%	72%	76%	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%	1%	72%	81%	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 - Female	72%	80%	3%	72%	81%	0%

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	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	11,298	2,983	6,438	8,272	1,613
	Employed including self-employed participants with lower secondary education (CQFW 2) - Female	14,630	13,100	2,866	5,862	9,705	1,497
	Employed including self employed participants with upper secondary (CQFW 3) education or above - Male	10,731	7,227	2,335	4,292	4,773	1,395
	Employed including self employed participants with upper secondary (CQFW 3) education or above - Female	9,769	7,368	5,029	3,908	4,824	3,047
	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%	1%	60%	80%	0%
	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%	1%	60%	80%	0%
	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%	2%	60%	80%	0%
	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%	1%	60%	80%	0%

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	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	442	19	n/a	n/a	n/a
	Participants with graduate degree or equivalent - Female	720	368	3	n/a	n/a	n/a
	Number of enterprises collaborating with learning providers	750	542	1	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%	0%	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%	n/a	n/a	n/a
	Participants with graduate degree or equivalent in employment upon leaving - male	52%	0%	0%	n/a	n/a	n/a
	Participants with graduate degree or equivalent in employment upon leaving - female	52%	0%	0%	n/a	n/a	n/a
SO2.4 To improve the position of women in the workforce (SO2.3 East Wales)	Number of supported micro small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)	800	410	93	300	90	37
	Employed including self-employed	4,400	1,707	276	1,500	500	174
	Participants gaining a qualification upon leaving	75%	80%	37%	73%	80%	24%
	Supported Enterprises having adopted or improved equality and diversity strategies and monitoring systems	50%	80%	30%	50%	87%	22%
	Participants with an improved labour market situation upon leaving	40%	40%	0%	40%	40%	0%

Source: WEFO, 31/10/2016

In the round the position on performance for this priority is very encouraging. Where there are gaps in the outputs committed to beneficiaries there is remaining funding available to address them. To date, over 34,000 participants have already been enrolled by approved operations in this Priority.

Increasing skills for those with low or no skills (SO2.1): Forecasts are high across Wales, given the relatively low financial commitment to date, except as regards participants with no formal qualifications. Some operations are reporting that low-skilled workers are often presenting with at least some level of prior qualification (e.g. entry level or level 1) which is leading to them reporting fewer participants than expected as holding 'no qualifications'.

Intermediate and higher level skills (SO2.2): In East Wales all targets are predicted to be exceeded, despite only 63% of funding being allocated. For West Wales and the Valleys forecasts are broadly in line with a pro-rata attribution of targets based on commitment to date; albeit female participants exceeds male. Encouragingly, the expected proportion of participants gaining outcomes exceeds programme targets which should boost those key outcomes. Claims data so far shows encouraging numbers of participants being reported.

Research and Innovation activity (SO2.3 in WW&V only): Participants forecast are lower than programme targets that might be expected on a pro-rata basis against financial commitment. This may reflect the more novel nature of this objective and a lack of historical data on which to set programme targets. The lower level of participants is somewhat mitigated by a significantly higher proportion of those participants expected to achieve key outcomes. On this reading the outcomes are much closer in absolute value terms to that expected in the programmes; though it remains to be seen if gap-fillers can be identified to address any shortfall.

Improving the position of women in the workforce (SO2.4 WWV / SO2.3 EW): Targets for both programmes are broadly in line with expectations.

Priority 3: Youth Employment and Attainment

Specific Objective	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ESF Approved		Operations	Indicative Allocation	ESF Approved	
SO3.1: Youth Unemployment	5	£107.7m	£50.5m	47%	5	£36.0m	£17.7m	49%
SO3.2: Youth attainment & Engagement	4	£68.3m	£40.0m	59%	3	£12.0m	£7.8m	65%
SO3.3: STEM	1	£10.0m	£1.7m	17%	n/a	n/a	n/a	n/a
SO3.4: Early years	1	£9.8m	£4.2m	42%	n/a	n/a	n/a	n/a
Total Priority 3	11	£195.8m	£96.3m	49%	8	£48.0m	£25.5m	53%

Source: WEFO, 31/10/2016

Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ESF Approved	Total investment	ESF Approved
Active Inclusion Youth (Wales Council for Voluntary Action)			£4.6m	£1.0m

A further £1million ESF has been approved in the East Wales programme since the PMC meeting in September taking the Priority commitment to 49% in WWV and 53% in EW. The portfolio of operations focuses on addressing youth unemployment and attainment, and the issues around NEET.

The recently approved WCVA led **Active Inclusion Youth**, £1.0 million ESF adds to the portfolio by bringing in targeted, inclusive projects delivered largely by the third sector, including early engagement activity and supported work placements. Further proposals including local authority led collaborative regional operations are currently under development.

WEFO is working closely with beneficiaries and those developing operations under this priority alongside those in the poverty priority to ensure the development of a coherent and integrated portfolio and programme of operations, particularly those focusing on employability and employment outcomes. WEFO continues to hold meetings with operation beneficiaries to discuss activity, to encourage collaborative delivery and to identify any emerging gaps or duplication in provision.

Since the last PMC WEFO has agreed a collaborative approach to the evaluation of activity delivered by the local authority led operations in Specific Objective 2. This will be led by Blaenau Gwent County Borough Council on behalf of all operations in this area.

Table 3: Progress against indicators

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	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	30,684	6,434	21,200	18,272	2,790
	NEET Participants (16 - 24 years of age) gaining qualifications upon leaving - with primary or lower secondary education	20%	36%	0%	20%	40%	0%
	NEET Participants (16 - 24 years of age) in education/training upon leaving	17%	16%	25%	17%	16%	27%
	NEET Participants (16 - 24 years of age) entering employment upon leaving	28%	29%	11%	28%	29%	13%
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	265	13,000	6,236	99
	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%	0%	27%	17%	0%
	Participants at risk of becoming NEET(11-24) into education/training upon leaving	19%	8%	0%	18%	12%	4%
	Participants at Risk of becoming NEET (11-24) at reduced risk of becoming NEET upon leaving	-	58%	0%	-	59%	7%

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	Achieved to date
	Young People 11 -19 years of age - Male	8,400	2,160	489	n/a	n/a	n/a
	Young People 11 -19 years of age - Female	15,000	2,830	759	n/a	n/a	n/a
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 completing training in maths Science Engineering and Technology - Male	55%	63%	10%	n/a	n/a	n/a
	Young People 11-19 years of age completing training in maths Science Engineering and Technology - Female	55%	34%	3%	n/a	n/a	n/a
	11-19 years of age participants who continue to study a Maths Science Engineering and Technology subject post 16 - Male	45%	16%	0%	n/a	n/a	n/a
	11-19 years of age participants who continue to study a Maths Science Engineering and Technology subject post 16 - Female	45%	4%	0%	n/a	n/a	n/a

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	Achieved to date
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	-	n/a	n/a	n/a
	Employed including self-employed Participants from early years and childcare sector - female	2,700	1,370	-	n/a	n/a	n/a
	Employed including self employed Participants from early years and childcare sector gaining qualifications upon leaving - Male	77%	77%	0%	n/a	n/a	n/a
	Employed including self employed Participants from early years and childcare sector gaining qualifications upon leaving - Female	77%	76%	0%	n/a	n/a	n/a

Source: WEFO, 31/10/2016

Overall performance for the priority is largely promising with over 10,000 participants engaged to date.

Reducing NEET (SO3.1): Project forecasts are high relative to commitment, which should allow for remaining operations to target niche areas and specific issues. This reflects the approval of the key backbone operations. For example 69% of the target participants are forecast, on the basis of 47% of expenditure committed.

Performance to date is largely positive however WEFO will be pressing operations to focus more on employment outcomes.

At risk of NEET (SO3.2): This is a new area of intervention with more innovative activity with limited historical data to underpin indicator targets. The low reporting of activity reflects the innovative nature of delivery and the timescales in getting delivery systems in place. Based on initial assessment of approved operations WEFO has now proposed a 50% 'reduce risk of NEET' result target to the Commission.

Take-up of STEM subjects (SO3.3. WWV only): Forecast targets are in line with what might be anticipated given the level of funding committed. There is a forecast overachievement in terms of the expected numbers of male participants, pointing to the need for more targeted activity at female young people.

Early-years childcare workforce (SO3.4 WWV only): The lack of achievements to date can be attributed to the late procurement of training providers to deliver support to participants, although this is now complete and delivery has now begun. Forecasts are in line with the approved financial allocation to date, albeit with slightly more of a skew towards female participants than set out in the programme documents.

Priority 4: Technical Assistance

	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ESF Approved		Operations	Indicative Allocation	ESF Approved	
Total Priority 4	5	£12.8m	£6.9m	54%	4	£3.3m	£1.1m	33%

Source: WEFO, 31/10/2016

Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ESF Approved	Total investment	ESF Approved
Mid Wales Regional Engagement Team (Ceredigion County Council)	£0.23m	£0.17m	£0.059m	£0.029m

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. Two operations are in the Business Planning phase, and these WEFO TA bids are to be approved by the end of November.

Section 1: WGRC-RDP Programme: Commitment

This section gives details of current financial progress under the WGRC-RDP2014-2020 Programme.

Table 1 shows spend to date, the amount of EU Grant committed under the WGRC-RDP2014-2020, along with the potential EU Grant committed if those applications invited under EOI rounds and full applications under assessment are taken forward.

Table 1: Spend, commitment & Business Planning

Spend £'m		Commitment £'m		Business Planning £'m	
TOTAL	EAFRD	TOTAL	EAFRD	TOTAL	EAFRD
£42.97	£31.80	£466.66	£316.47	£216.89	£71.28

Overall Programme Update

The WGRC-RDP2014-2020 continues to make good progress since its approval on 28 May 2015.

There is an EC requirement that applications to 2014-2020 Rural Programme are not selected on a first past the post system. To meet this requirement schemes under the WGRC-RDP2014-2020 will open and close for applications periodically through the life of the programme, dependent upon available programme financial allocations.

Including approvals and EOI rounds a total of £683m has been committed, of which £387m EU funding. Sections of the Programme are further advanced in delivery and 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. For the Glastir agri–environment-climate and forestry suite of schemes, spend to date of just under £42.93m has been recorded, of which £31.76m is EU funding. Under the Socio-economic schemes a total of £0.04m has been made. This brings overall Programme spend to £42.97m with £31.80m EAFRD. These values will further increase as applications under appraisal are approved.

For the socio-economic schemes within the programme, a total of 250 successful EOIs, with an allocation of £81.9m, have been invited to submit a full application. To date, 110 applications have been received. A total of 27 operations have been approved with an overall allocation of almost £31.1m. This will further increase over the coming months as a result of recent EOI windows.

A number of Expression of Interest (EOI) windows have opened to date, across the Programme; further windows will open over the next 12 months to include the following schemes;

- Rural Community Development Fund under Measure 7 (£3m)
- Glastir Woodland Restoration under Measure 8.4 (£1m) – TBC 2017
- Sustainable Production Grant under Measure 4.1 (£6m) – TBC 2017
- Glastir Small Grants under Measure 4.4 (1.5m) – December 2016
- Glastir Woodland Creation under Measures 8.1 & 8.2 (£1.7m) – March 2017

Indicator progress

At this stage in programme delivery, it is not possible to provide forecasts against indicators for all Measures / Focus Areas. Approved target values¹ 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.

¹ Target values will be amended once the first programme modification has been accepted and approved by the European Commission.

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
FA 1(a) Fostering innovation and the knowledge base in rural areas	1	Total public expenditure (£'m)	£50m	£44.31
	2	Total public expenditure (£'m)	£13.07m	£11.54
	16	Total public expenditure (£'m)	£71.8m	£1.69
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
	16.2 to 16.9	Nr of other cooperation operations (groups, networks/clusters, pilot projects...) (16.2 to 16.9)	1,102	0
FA 1(c) Fostering lifelong learning and vocational training in the agricultural and forestry sectors	1.1	Nr of participants in trainings	13,000	9,720

source: WEFO, 31/10/2016

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

The new 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 new Knowledge Transfer programme has broadened to enable more businesses and persons engaged in the agricultural, forestry and food sectors to participate, including students. It is aligned with other Welsh Government business support packages and activities, including Business Wales and Resource Efficient Wales.

Knowledge Transfer Programme. Activity will focus 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 Farmer Exchange is also a new development from Farming Connect, enabling successful candidates to travel to a leading farm or forestry holding within the EU to learn about new and improved ways of working within the sectors. The aim is for them to look into different approaches to business management, broaden their knowledge, technical ability and management expertise, and to provide new developmental opportunities at both a personal and business level. The first group of successful candidates were announced at this year's Royal Welsh Show.

Lifelong Learning and Development Programme: the aim is to deliver a more professional farming and forestry industry and will be delivered through a

combination of direct training and on line e-learning provision. The programme will place a greater emphasis on business and transformational skills acquisition and offer more focused and strategic courses.

Advisory Service: The advisory service will provide independent, bespoke, one to one and group advice to improve the sustainable management and the economic and environmental performance of farming, forestry and food manufacturing SME's operating in rural areas.

EIP-AGRI – Wales: Farming Connect is supporting the development of EIP-AGRI Wales through various forms, mainly the Knowledge Exchange Hub and Knowledge Brokerage. This support will be aimed at facilitating the development of OG, with up to £40k available for each group to develop their ideas. The Knowledge Exchange Hub, located at IBERS, Aberystwyth, will be the first point of contact for farmers and foresters in Wales to register their interest in developing their innovative ideas, and to enquire about potential suitable partners. Only projects deemed suitable by the Hub will be referred through to Welsh Government, and invited to submit a full application. A knowledge broker can support the group through the development phase, and be available to facilitate the project if they succeed in their application.

Venture: This is a new feature. The Venture platform is an integrated framework of activity, bringing together various strands of the Farming Connect services which will support mobility within the agriculture and forestry sectors in Wales. It will identify and match established landowners seeking to enter into a contract or share farming, accommodating prospective new or young entrants to the industry.

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
FA 2(a) Facilitating restructuring of farms	1.1	training/skills acquisition - Nr of participants in trainings	8,560	7,486
	1.1	Number of training days given	16,160	8,008
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 - Total public for training/skills (£'m)	£3.74	£2.52
	1.2	Nr of demonstration operations / information actions supported	20	1,395
	1.3	Nr of farm exchanges operations supported	10	39
	1.1 - 1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£34.80	£34.12
	2.1	Nr of beneficiaries advised	5,160	2,963
	2.3	Nbr of advisor trained	110	260
	2.1 - 2.3	Total public expenditure (£'m)	£6.55	£6.76
	4.1	Nr of holdings supported for investment in agricultural holdings	2,431	0
	4.1	Total public expenditure (£'m)	£57.55	£0.00
	4.3	Total public expenditure for investments in infrastructure	£1.80	£0.00
	4	Total investment (public + private) (£'m)	£148.36	£0.00
	4	Total public expenditure (£'m)	£59.35	£0.00
	16	Total public expenditure (£'m)	£0.36	£0.34

source: WEFO, 31/10/2016

Focus Area 2a

To date a total of 51 successful EOIs and two direct applications have been invited to submit a full application under Priority 2 (Focus Area 2a) of the WGRC-RDP2014-2020.

A total of 13 full applications for Sustainable Production Grant (SPG) Scheme under Measure 4.1 have been received, totalling a commitment of £2.2m.

Of these 13 applications received to date one has been approved, with a total allocation of £0.5m.

Full applications are submitted up to the funding window closing date and are processed as they are received. Future reports to the PMC 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.

The Sustainable Production Grant scheme under Measure 4.1 provides 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. It aims to provide capital investment in facilities and equipment that relate to animal health and welfare, crop storage, production housing and handling, renewable energy production and soil and crop management.

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 12 beneficiaries invited to submit a full application and the second for £6.0m with 41 beneficiaries. As yet, no payments have been made to beneficiaries. A third window

took place in September 2016, again, with a budget of £6.0m and 40 beneficiaries. Under the third EOI, 154 EOIs were submitted, these are currently undergoing a desk-based technical assessment, ahead of selecting the top 40 to proceed to the second stage of the application process.

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

Table 4: Progress against indicators

Focus Area	Measure	Outputs	Target	Forecast
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	1,000	486
	1.1	Number of training days given	1,000	520
	1.1	training/skills acquisition - Total public for training/skills	£0.23	£0.16
	1.2	Nr of demonstration operations / information actions supported	15	91
	1.1 -1.3	Total public expenditure € (trainings, farm exchanges, demonstration) (£'m)	£2.31	£2.22
	2.1	Nr of beneficiaries advised	600	303
	2.3	Nbr of advisor trained	110	27
	2.1 - 2.3	Total public expenditure (£'m)	£0.83	£0.69
	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	0
	4	Total investment (public + private) (£'m)	£99.45	£0.00
	4	Total public expenditure (£'m)	£39.99	£0.00
	16.4	Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)	165	0
	16	Number of cooperation operations supported (non EIP)	80	0
	16	Total public expenditure (£'m)	£22.18	£0.08

source: WEFO, 31/10/2016

Focus Area 3a

To date 69 successful EOIs and three direct applications have been invited to submit a full application under Priority 3 (Focus Area 3a) of the Programme.

Thus far 51 full applications have been received, totalling a commitment of £49.7m of which:

- 22 full applications for Cooperation & Supply Chain Development Scheme (C&SCD) under Measure 16.4 have been received, totalling £7.0m.
- 26 full applications for Food Business Investment Scheme (FBIS) under Measure 4.2 have been received, totalling £21.1m.
- 3 full applications for Knowledge Transfer & Innovation Scheme under Measure 1.1 have been received, totalling £21.6m
- Of the 51 full applications received to date 22 have been approved, with a total allocation of £28.11m.

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.

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

Table 5: Progress against indicators

Priority	Measure	Outputs	Target	Forecast	Achieved to date
Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry (agricultural land)	1.1	training/skills acquisition - Nr of participants in trainings	995	778	0
	1.1	Number of training days given	1,911	832	0
	1.1	training/skills acquisition - Total public for training/skills	£0.39	£0.26	£0.00
	1.2	Nr of demonstration operations / information actions supported	55	145	0
	1.3	Nr of farm exchanges operations supported	14	4	0
	1.1 -1.3	Total public expenditure € (trainings, farm exchanges, demonstration) (£'m)	£4.18	£3.55	£0.00
	2.1	Nr of beneficiaries advised	1,330	758	0
	2.3	Nbr of advisor trained	114	67	0
	2.1 - 2.3	Total public expenditure (£'m)	£1.95	£1.73	£0.00
	4.4	Nr of operations of support for non productive investment (4.4)	16,425	9,453	68
	4	Total investment (public + private) (£'m)	£169.48	£106.97	£0.29
	4	Total public expenditure (£'m)	£169.48	£106.97	£0.29
	8.1	Area (ha) to be afforested (establishment only- 8.1)	2,160	2,000	106
	8.1	Total public expenditure (8.1) (£'m)	£11.49	£10.64	£0.46
	8.2	Area (ha) to be established in agro-forestry systems (8.2)	147	50	1
	8.2	Total public expenditure (8.2) (£'m)	£0.42	£0.21	£0.00
	10.1	Total Area (ha) under agri-environment-climate (10.1)			
	10.1	Physical Area (ha) under agri-environment-climate (10.1)	688,000	528,010	676,469
	10.1	Number of contracts supported	11,585	7,338	6,877
	10.1	Total public expenditure (10.1+10.2) (£'m)	£243.36	£230.05	£27.98
	11.1	Number of holdings supported	400	201	112
	11.1	Area (ha) conversion to organic farming	48,000	11,153	11,153
	11.2	Number of holdings supported	600	341	441
11.2	Area (ha) maintainance of organic farming	72,000	57,287	57,287	
11	Total public expenditure (£'m)	£43.99	£21.18	£3.92	
16	Number of cooperation operations supported (non EIP)	30	0	0	
16	Total public expenditure (£'m)	£8.43	£0.41	£0.00	

source: WEFO, 31/10/2016

Priority	Measure	Outputs	Target	Forecast	Achieved to date
Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry (forest area)	1.1	training/skills acquisition - Nr of participants in trainings	105	97	0
	1.1	Number of training days given	189	104	0
	1.1	training/skills acquisition - Total public for training/skills	£0.04	£0.03	£0.00
	1.2	Nr of demonstration operations / information actions supported	5	18	0
	1.3	Nr of farm exchanges operations supported	1	1	0
	1.1 -1.3	Total public expenditure € (trainings, farm exchanges, demonstration) (£'m)	£0.41	£0.44	£0.00
	2.1	Nr of beneficiaries advised	70	51	0
	2.3	Nbr of advisor trained	6	4	0
	2.1 - 2.3	Total public expenditure (£'m)	£0.11	£0.12	£0.00
	8.3	Nr of beneficiaries for preventive actions (8.3)	0.25	0	0
	8.3	Area supported (ha)	76,000	0	0
	8.3	Total public expenditure (£'m)	£0.26	£0.00	£0.00
	8.4	Nr of beneficiaries supported	55	0	0
	8.4	Area supported (ha)	530	0	0
	8.4	Total public expenditure (£'m)	£1.24	£0.00	£0.00
	8.5	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	1,745	501	12
	8.5	Areas concerned by investments improving resilience and environmental value of forest ecosystems (8.5)	32,850	7,000	0
	8.5	Total public expenditure (£'m)	£15.07	£5.57	£0.20
	15.1	Number of contracts supported	70	0	0
	15.1	Areas under forest environment contract	700	0	0
	15.1	Total public expenditure (£'m)	£0.30	£0.00	£0.00
	16	Number of cooperation operations supported (non EIP)	215	0	0
	16	total public expenditure (£'m)	£4.61	£0.10	£0.00

source: WEFO, 31/10/2016

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, Advanced and Small Grants- focus areas 4a, 4b, 5d and 5e.
- Glastir Commons - Focus Area 4a.
- Glastir Organic - Focus Area 4c.
- Glastir Woodland Creation - all of the Priority 4 Focus Areas and Focus Area 5e.
- Glastir Woodland Management and Restoration - Focus Areas 4a and 5e.

Many of the figures presented, currently, are totals of all the relevant focus areas. We are aiming to produce more robust reports for future PMCs, including reporting by Focus Areas.

It should be noted that the cumulative progress to date does not necessarily correspond with the indicator forecasts / achievements as Measure 8.3, 10, 11, 15 along with the maintenance elements of Measures 8.1 and 8.2 are multi annual in nature and therefore only in-year activity is reported against their respective indicators. For Measures 2.1, 4.1, 4.4, 8.4, 8.5, 8.6 and the establishment elements of Measures 8.1 and 8.2 although reported cumulative only completed operations are recorded.

Measure 10.1 includes Glastir Entry, Advanced and Commons. It also includes multi-annual, area-based payments for existing farm woodlands in Glastir Woodland Management and has seen total expenditure of £228m. In the previous report, a total

of 7,338 contracts and an area of 528,010ha were reported as achieved. It should be noted these figures were errantly included and are the forecast figure. The actual number of contracts under M.10.1 stands at 6,877 covering an area of 676,469ha.

Glastir Entry has achieved a total of 4,603 contracts (again, the previously reported figure was the forecast figure), 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.

The Welsh Government still intends to extend Glastir Entry contracts that underpin Glastir Advanced contracts to finish at the same time. This would see some Glastir Entry contracts extended by between 1 and 3 years.

Glastir Advanced now comprises 2,082 contracts, of which 495 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 £7.8m for Measure 4.4 and £9.2m for Measure 10.1. Glastir Contract Managers are currently negotiating Glastir Advanced contracts to commence 1 January 2017, but offers need to be made before HM Treasury's autumn statement to be guaranteed funding for the duration of the contract. Any future rounds of Glastir Advanced will rely on long-term assurances from HM Treasury to fund these. To date, 55 capital works plans of operations have been completed to a value of £0.26m.

Glastir Commons is now closed and amounts to 197 contracts covering 119,069ha of land. Total expenditure under this RDP has been £1.3m for Measure 10.1. All eligible contracts will be offered an extension to 2019, to allow time for Grazing Associations to explore other funding mechanisms, such as the Sustainable Management Scheme or payment for ecosystem services prospectuses.

Measure 11 - Glastir Organic supports farmers to convert to (Measure 11.1) or maintain (Measure 11.2) organic farming practices. After two rounds of Glastir Organic applications, 112 contracts, against a forecast of 201 and a target of 400, to convert and 441 contracts, against a forecast of 341 and a target of 600, to maintain organic farming practices have been achieved, covering an area of 68,440ha (11,153ha for Measure 11.1 and 57,287 for Measure 11.2). The total expenditure for Measure 11 is £3.9m. A third application round for Glastir Organic, with a budget of £1.5m, closed on 31 October, with 153 EOIs submitted, covering an area of 16,628ha to a value of £6,217,964 and, as such, a selection process will need to be undertaken to remain within the allocated budget.

Measure 8.1 - Glastir Woodland Creation has seen the establishment of 107.59ha 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 £0.64m of which £26k is attributed to Focus Area 5e. First claims for maintenance and income foregone will not be made until SAF2017. A third round for GWC, with a budget of £1.7m, was opened on 30 August and closed on 14 October, where 95 EOIs were received with a total planting area of 787.45ha submitted and a capital value of £2.8m. A selection process will need to be undertaken to remain within the allocated budget.

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 £1.3m 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* and has seen three rounds of expression of interest windows under this RDP. To date, expenditure has been £0.75m under the first two windows, giving an area of 317ha of woodland undergoing restoration. Two further windows are planned for Glastir Woodland Restoration in August 2016 and August 2017 with budgets of £1.0m each. A fourth round for GWR, with a budget of £1m, opened on 30 August and closed on 30 September. 23 EOIs were received with a total re-stocking area of 122.61ha submitted and a capital value of £289k. This low figure could be attributed to current restrictive GWR rules for Plantations on Ancient Woodland Sites (PAWS). For the next 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, which should encourage more woodland managers to apply.

Measure 2 – Advisory support. Under this 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. To date, no contract has been awarded, with the decision to award pending the Welsh Government's negotiations with the UK Government to guarantee the funding.

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
FA 5(b) Increasing efficiency in energy use in agriculture and food processing	1.1	training/skills acquisition - Nr of participants in trainings	64	194
	1.1	Number of training days given	124	208
	1.1	training/skills acquisition - Total public for training/skills	£0.02	£0.07
	1.2	Nr of demonstration operations / information actions	20	36
	1.3	Nr of farm exchanges operations supported	5	1
	1.1 -1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£0.26	£0.87
	2.1	Nr of beneficiaries advised	98	83
	2.3	Nbr of advisor trained	2	7
	2.1 - 2.3	Total public expenditure (£'m)	£0.21	£0.19
	4.1, 4.2 & 4.3	Nr of operations supported for investment (in agricultural holdings, in processing and marketing of ag.	286	0
	4	Total investment (public + private) (£'m)	£16.93	£0.00
	4	Total public expenditure (£'m)	£6.77	£0.00
	16	Number of cooperation operations supported (non EIP)	20	0
	16	total public expenditure (£'m)	£5.18	£0.17

source: WEFO, 31/10/2016

Focus Area	Measure	Outputs	Target	Forecast
FA 5(c) Facilitating the supply and use of renewable sources of energy, of by-products, wastes, residues and other non-food raw material for purposes of the bio-economy	1.1	training/skills acquisition - Nr of participants in trainings	68	194
	1.1	Number of training days given	128	208
	1.1	training/skills acquisition - Total public for training/skills	£0.03	£0.07
	1.2	Nr of demonstration operations / information actions supported	20	36
	1.3	Nr of farm exchanges operations supported	5	1
	1.1 -1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£0.30	£0.89
	2.1	Nr of beneficiaries advised	98	66
	2.3	Nbr of advisor trained	2	6
	2.1 - 2.3	Total public expenditure (£'m)	£0.17	£0.15
	4.1 + 4.3	Nr of operations supported for investment (4.1, 4.3)	187	0
	4	Total investment (public + private) (£'m)	£3.97	£0.00
	4	Total public expenditure (£'m)	£1.59	£0.00
	7.2	Nr of operations supported for investments of small scale infrastructure, incl. investments in renewable energy and energy saving (7.2)	197	0
	7	Total investment (public + private) (£'m)	£19.57	£0.00
	7	Total public expenditure (£'m)	£16.31	£0.00
	8.5	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	25	0
	8.5	Areas concerned by investments improving resilience and environmental value of forest ecosystems	1,870	0
	8.5	Total public expenditure (£'m)	£0.04	£0.00
	8.6	Nr of operations for investments in forestry technology and primary processing/marketing (8.6)	250	0
	8.6	Total investment (public + private) (8.6) (£'m)	£19.29	£0.00
8.6	Total public expenditure (£'m)	£8.19	£0.00	
16	Number of cooperation operations supported (non EIP)	135	0	
16	total public expenditure (£'m)	£12.28	£0.08	

source: WEFO, 31/10/2016

Focus Area	Measure	Outputs	Target	Forecast	
FA 5(d) Reducing nitrous oxide and methane emissions from agriculture	1.1	training/skills acquisition - Nr of participants in trainings		884	194
	1.1	Number of training days given		1,684	208
	1.1	training/skills acquisition - Total public for training/skills		£0.34	£0.07
	1.2	Nr of demonstration operations / information actions supported		20	36
	1.3	Nr of farm exchanges operations supported		5	1
	1.1 -1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)		£3.71	£0.89
	2.1	Nr of beneficiaries advised		1,120	588
	2.3	Nbr of advisor trained		2	52
	2.1 - 2.3	Total public expenditure (£'m)		£1.52	£1.34
	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)		143	150
	4	Total investment (public + private) (£'m)		£8.46	£0.09m
	4	Total public expenditure (£'m)		£3.39	£0.09m
	10.1	Area (ha) (e.g. green cover, catch crop, reduced fertilisation, extensification...)		199,766	59,807
	10.1	Total public expenditure (£'m)		£17.92	£11.67m
	16	Number of cooperation operations supported (non EIP)		20	0
	16	total public expenditure (£'m)		£5.18	£0.17

source: WEFO, 31/10/2016

Focus Area	Measure	Outputs	Target	Forecast	Achieved to date	
FA 5(e) Fostering carbon sequestration in agriculture and forestry	1.1	training/skills acquisition - Nr of participants in trainings		84	194	0
	1.1	Number of training days given		164	208	0
	1.1	training/skills acquisition - Total public for training/skills		£0.03	£0.07	£0.00
	1.2	Nr of demonstration operations / information actions supported		20	36	0
	1.3	Nr of farm exchanges operations supported		5	1	0
	1.1 -1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)		£0.33	£0.89	£0.00
	2.1	Nr of beneficiaries advised		84	76	0
	2.3	Nbr of advisor trained		2	7	0
	2.1 - 2.3	Total public expenditure (£'m)		£0.20	£0.17	£0.00
	4.4	Nr of operations of support for non productive investment (4.4)		5,090.00	151.00	0.00
	4	Total investment (public + private) (£'m)		£3.59	£0.36m	£0.00
	4	Total public expenditure (£'m)		£1.30	£0.36m	£0.00
	8.1	Area (ha) to be afforested (establishment only- 8.1)		1,440	832	19
	8.1	Total public expenditure (8.1) (£'m)		£7.66	£4.43m	£0.08m
	8.2	Area (ha) to be established in agro-forestry systems (8.2)		147	50	1
	8.2	Total public expenditure (8.2) (£'m)		£0.43	£0.20m	£0.002m
	8.3	Nr of beneficiaries for preventive actions		1	0	0
	8.3	Area supported (ha)		225,000	0	0
	8.3	Total public expenditure (8.3) (£'m)		£0.78	£0.00	£0.00
	8.4	Nr of beneficiaries supported		160	184	0
	8.4	Area supported (ha)		1,591	1,781	0
	8.4	Total public expenditure (8.4) (£'m)		£3.72	£4.02m	£0.75m
	8.5	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)		1,850	393	30
	8.5	Areas concerned by investments improving resilience and environmental value of forest ecosystems		22,000	3,000	0
	8.5	Total public expenditure (8.5) (£'m)		£9.95	£2.72m	£0.00
	10.1	Physical Area (ha) under agri-environment-climate for carbon sequestration		585	1,140	0
	10.1	Total public expenditure (£'m)		£2.24	£1.06m	£0.00
16	Number of cooperation operations supported (non EIP)		220	0	0	
16	total public expenditure (£'m)		£5.48	£0.17	£0.00	

source: WEFO, 31/10/2016

To date one full application has been received under Priority 5 (Focus Area 5c), a commitment of £128k, along with one direct application.

The full application was invited under the Rural Community Development Fund (RCDF) under Measure 7.2 of the Programme. 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.

Progress for the Glastir schemes delivering under Priority 5 can be found under the Priority 4 update.

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

Table 7: Progress against indicators

Focus Area	Measure	Outputs	Target	Forecast
FA 6(a) Facilitating diversification, creation of new small enterprises and job creation	2.1	Nr of beneficiaries advised	336	168
	2.3	Nbr of advisor trained	5	15
	2.1 - 2.3	Total public expenditure (£'m)	£0.44	£0.38
	4	Total investment (public + private) (£'m)	£2.13	£0.00
	4	Total public expenditure (£'m)	£0.85	£0.00
	6.2 + 6.4	Nr of beneficiaries (holdings) receiving start up	140	0
	6	Total investment (public + private) (£'m)	£27.50	£0.00
	6	Total public expenditure (£'m)	£15.00	£0.00
	8.5	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	400	0
	8.5	Areas concerned by investments improving resilience and environmental value of forest ecosystems	4,000	0
	8.5	Total public expenditure (£'m)	£0.60	£0.00
	8.6	Nr of operations for investments in forestry technology and primary processing/marketing (8.6)	44	0
	8.6	Total investment (public + private) (8.6) (£'m)	£3.96	£0.00
	8.6	Total public expenditure (8.6) (£'m)	£1.70	£0.00
	16	Number of cooperation operations supported (non EIP)	106	0
	16	Total public expenditure (£'m)	£0.59	£0.00
	6.2, 6.4, 8.6	Number of jobs created	142	0

source: WEFO, 31/10/2016

Focus Area 6a

There have been 21 successful EOIs and one direct application invited to submit a full application under Focus Area 6(a).

Full applications have been invited under the Timber Business Investment Scheme (TBIS) under Measure 8.6. One full application has been received, a commitment of £4.3k and one direct application has been received, a commitment of £5.3m

Focus Area	Measure	Outputs	Target	Forecast
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
	7.2	Number of operations supported support for investments in small scale infrastructure, incl renewable energy infrastructure	56	0
	7.4	Number of operations supported support for investments in local basic services for the rural population	168	0
	7.5	Number of operations supported support for investments in recreational/tourist infrastructure	100	0
	7.6	Number of operations supported support for studies/investments in rural cultural and natural heritage, incl HNV sites	80	0
	7.7	Number of operations supported support for investments in relocation of activities for environmental/quality of life reasons	50	0
	7.1, 7.2, 7.4, 7.5, 7.6, 7.7	Population benefiting from improved services/infrastructures	1,381,745	0
	7	Total public expenditure (£'m)	£39.49	£0.00
	19	Number of LAGs selected	18	18
	19	Number of projects supported	54	54
	19	Number of cooperation projects supported	27	0
	19	Population covered by LAG	1,381,745	0
	19.1	Total public expenditure - preparatory support (£'m)	£0.09	£0.00
	19.2	Total public expenditure - support for implementation of operations under the CLLD strategy (£'m)	£32.26	£0.00
	19.3	Total public expenditure - preparation and implementation of cooperation activities of the local action group (£'m)	£3.40	£0.00
	19.4	Total public expenditure - support for running costs and animation (£'m)	£11.92	£0.00
	16	Number of cooperation operations supported (non EIP)	31	0
	16	total public expenditure (£'m)	£7.50	£0.00
	7 + 19	Number of jobs created	100	0

source: WEFO, 31/10/2016

Focus Area 6b

There are now 95 successful EOIs, 5 direct applications and 18 LAGs invited to submit full application under Focus Area 6b.

So far 89 full applications have been received under this Focus Area, totalling a commitment of £87.2m. Of these;

- 15 full applications for Cooperation & Supply Chain Development (C&SCD) Scheme under Measure 16.2 have been received, totalling £46.7m.
- 56 full applications for Rural Community Development Fund (RCDF) under Measures 7.2, 7.3, 7.4, 7.5, 7.6 & 7.7 have been received, totalling £7.3m.
- 18 LAGs have submitted full applications, totalling £33.2m.

Focus Area	Measure	Outputs	Target	Forecast
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	400	97
	1.1	Number of training days given	400	104
	1.1	training/skills acquisition - Total public for training/skills	£0.04	£0.03
	1.1 -1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£0.43	£0.44
	7.3	Nr of operations for investments in broadband infrastructure and access to broadband, incl e-government services (7.3)	49	0
	7.3	Population benefiting from new or improved IT infrastructures (e.g. broadband internet)	500,000	0
	7.3	Total public expenditure (£'m)	£3.40	£0.00

source: WEFO, 31/10/2016

Focus Area 6c

There has been one successful EOI invited to submit a full application under Focus Area 6c along with one full application for (scheme) has been received. Total commitment under this Focus Area stands at £65.5k

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.

**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 and September 2016 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 alter the selection criteria for one scheme (see Annex 1) and seeks the opinion of the Members regarding this change.

Recommendation

4. The Welsh Government is consulting the Members on the changes proposed to the selection criteria as described in Annex 1.

Background

5. Annex 1 presents the selection criteria to be used for the Sustainable Production Grant Scheme – Small Grants which has not yet opened. Annex 2 shows the selection criteria used for all schemes under the Rural Development Programme, for information.

Next Steps

6. The Welsh Government welcomes the views of Members on the changes proposed.

Agriculture, Food and Marine

Lead: Gail Merriman

Approved by: Mrs Terri Thomas

Date: 17/11/16

Sustainable Production Grant Scheme – Small Grants (SPG-SG)

1. The PMC has previously received details of the (SPG-SG) at their meeting of 9 September 2016 which proposed to establish a small capital grant scheme from Measure 4.1.
2. The aim of the SPG-SG is to make relatively small investments on-farm that will support a step change within the business and for the industry. Grant awards will be between £3,000 and £12,000 at an intervention rate of 40%
3. The Welsh Government has developed a list of circa. 75 items that farmers and growers from across all sectors of agriculture and horticulture may apply for. These items have been independently verified in terms of their specification, suitability against the ambition of a step change and standardised cost and have been submitted as part of the modification.
4. Given the expected demand for this grant, the Welsh Government is proposing to develop a method of scoring the applications in an automated manner in order to rank the applications against the available budget allocation for the window.
5. In order to test financial need, the Welsh Government have analysed the Farm Business Survey data to develop a method of determining a threshold above which business would not be eligible to apply. This limit has been set at a turnover of £1 million per business entity.
6. In terms of the selection criteria, the proposal is to use similar criteria to that already used by Measure 4.1 for the Sustainable Production Grant.
7. The standardised cost items will be scored individually against four criteria:
 - Animal Health & Welfare
 - Human Health and Safety
 - Technical Efficiency
 - Resource Efficiency

8. Each of the four criteria will be scored out of 100 with each item able to score a maximum combined score of 400. For the purposes of allowing a greater variance between applicants in order to rank in a transparent manner, the total value of grant requested will be divided by the total score from requested items.

9. Example:

Below is an example of how this scoring would work for the SPG-SG with an application requesting four items as part of their application. The costs used are for the purposes of the example and not necessarily the agreed value that would be implemented through the scheme.

Investment	Cost	Grant Value (40%)	Qty	AH&W	H&S	Technical Efficiency	Resource Efficiency	Scoring
Fixed Handling Systems	£10,000	£4,000	1	80	90	50	25	245
Cattle crush	£5,760	£2,304	1	80	90	50	20	240
Head scoop (cattle)	£500	£200	1	80	90	40	20	230
Electronic Weigh System	£800	£320	1	20	20	80	50	170
Sub-Total		£6,824						885

Score	7.71
--------------	-------------

10. The PMC are asked to note this proposed method of scoring.

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013		Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage
Article 14 of Regulation (EU) No 1305/2013	knowledge transfer and information actions (Measure 1)	support for vocational training and skills acquisition actions	1.1	<i>Knowledge Transfer and Innovation Scheme</i> Knowledge transfer and information actions for agriculture, forestry and food sectors Farming Connect Initiative for farm and forestry business training and mentoring to be delivered through procured service contracts Food Business knowledge transfer, mentoring and training to be delivered through specialist support programmes	No EOI stage - Measure 1 (1.1, 1.2 & 1.3) has been procured.	No EOI stage - Measure 1 (1.1, 1.2 & 1.3) has been procured.	Following is applicable to all sub measures under Measure 1: Through procurement, the contract will be awarded on the basis of the following minimum criteria, which are listed in order of importance including the weighting applicable to criterion. Successful Contractors will have to score a minimum of 60% in each of the criteria below. Evaluation Criteria & Weighting (%) 1. Proposed delivery methodology / innovation in delivery 25% 2. Cost as broken down in the attached price schedule 20% 3. Relevant resources and experience/qualifications of key personnel proposed to undertake the Contract 15% 4. Evidence of sector specific knowledge and understanding of industry issues 10% 5. Internal quality assurance procedures within tendering organisation 10% 6. Demonstrated ability of Contractor to contribute to the delivery of the crosscutting themes 10% 7. Demonstrated degree of coordination and synergy with other EU and non-EU funded activities and programmes. 10% Scoring Criteria Evidence is consistent, comprehensive, compelling, directly relevant to the project in all respects and highly credible (by being substantiated by independent sources where possible.) Absolute Confidence Score 100 Evidence is sufficient (in qualitative terms), convincing, and credible. Confidence Score 80 Evidence has minor gaps, or to a small extent is unconvincing, lacks credibility or irrelevant to the project. Minor Concerns Score 60 Evidence has moderate gaps, is unconvincing. Moderate Concerns Score 40 Evidence has major gaps, is unconvincing in many respects, lacks credibility, or largely irrelevant to the project. Major Concerns Score 20 No evidence or misleading evidence. Not acceptable Score 0	
		support for demonstration activities and information actions	1.2		No EOI stage - Measure 1 (1.1, 1.2 & 1.3) has been procured.	No EOI stage - Measure 1 (1.1, 1.2 & 1.3) has been procured.		
		support for short-term farm and forest management exchange as well as farm and forest visits	1.3		No EOI stage - Measure 1 (1.1, 1.2 & 1.3) has been procured.	No EOI stage - Measure 1 (1.1, 1.2 & 1.3) has been procured.		
Article 15 of Regulation	Advisory services, farm management	support to help benefiting from the use of advisory services	2.1	<i>Rural Business Advisory Scheme</i> Advisory services for agriculture, forestry and food sectors; farm management and farm relief services	No EOI stage - Measure 2 (2.1, 2.2 & 2.3) has been procured.	No EOI stage - Measure 2 (2.1, 2.2 & 2.3) has been procured.	Following is applicable to all sub measures under Measure 2: Through procurement, the contract will be awarded on the basis of the following minimum criteria, which are	

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013		Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage
(EU) No 1305/2013	and farm relief services (Measure 2)	support for the setting up of farm management, farm relief and farm advisory services as well as forestry advisory services	2.2	All forms of business and technical advisory services to be delivered through procured contracts only Farming Connect Initiative for farm and forestry business performance and technical advice Food Businesses supported through specialist procured contracts	No EOI stage - Measure 2 (2.1, 2.2 & 2.3) has been procured.	No EOI stage - Measure 2 (2.1, 2.2 & 2.3) has been procured.	listed in order of importance including the weighting applicable to criterion. Successful Contractors will have to score a minimum of 60% in each of the of the criteria below. Evaluation Criteria & Weighting (%) 1. Proposed delivery methodology / innovation in delivery 25% 2. Cost as broken down in the attached price schedule 20% 3. Relevant resources and experience/qualifications of key personnel proposed to undertake the Contract 15% 4. Evidence of sector specific knowledge and understanding of industry issues 10% 5. Internal quality assurance procedures within tendering organisation 10% 6. Demonstrated ability of Contractor to contribute to the delivery of the crosscutting themes 10% 7. Demonstrated degree of coordination and synergy with other EU and non-EU funded activities and programmes. 10% Scoring Criteria Evidence is consistent, comprehensive, compelling, directly relevant to the project in all respects and highly credible (by being substantiated by independent sources where possible.) Absolute Confidence Score 100 Evidence is sufficient (in qualitative terms), convincing, and credible. Confidence Score 80 Evidence has minor gaps, or to a small extent is unconvincing, lacks credibility or irrelevant to the project. Minor Concerns Score 60 Evidence has moderate gaps, is unconvincing. Moderate Concerns Score 40 Evidence has major gaps, is unconvincing in many respects, lacks credibility, or largely irrelevant to the project. Major Concerns Score 20 No evidence or misleading evidence. Not acceptable Score 0	
		support for training of advisors	2.3		No EOI stage - Measure 2 (2.1, 2.2 & 2.3) has been procured.	No EOI stage - Measure 2 (2.1, 2.2 & 2.3) has been procured.		

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013		Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage
Article 17 of Regulation (EU) No 1305/2013	investments in physical assets (Measure 4)	support for investments in agricultural holdings	4.1	<p><i>Sustainable Production Grant Scheme</i></p> <p>The Sustainable Production Grant Scheme aims 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.</p> <p>The SPG Scheme provides capital investment in facilities and equipment that relate to:</p> <ul style="list-style-type: none"> • animal health and welfare • crop storage • production housing and handling • renewable energy production • soil and crop management. 	<ol style="list-style-type: none"> 1. Increased financial resilience 2. Animal or Plant Health and Welfare 3. Emissions Reduction 4. Nutrient Efficiency and water quality 5. Energy Efficiency 6. Water efficiency 	<p>0-5 (x 5)</p> <p>0-5 (x 4)</p> <p>0-5 (x 3)</p> <p>0-5 (x 3)</p> <p>0-5 (x 3)</p> <p>0-5 (x 2)</p> <p>Minimum quality threshold is a score of 25.</p> <p>Total Possible Score is 100</p>	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.
				<p><i>Sustainable Production Grant Scheme- Small Grants</i></p> <p>The aim of the SPG-SG is to make relatively small investments on-farm that will support a step change within the business and for the industry. Grant awards will be between £3,000 and £12,000 at an intervention rate of 40%</p>	<p>The standardised cost items will be scored individually against four criteria:</p> <ul style="list-style-type: none"> - Animal Health & Welfare - Human Health and Safety - Technical Efficiency - Resource Efficiency <p>Each of the four criteria will be scored out of 100 with each item able to score a maximum combined score of 400.</p>			

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage	
		support for investments in processing/marketing and/or development of agricultural products	4.2	<i>Food Business Investment Scheme</i> Support for investments in processing/marketing and/or development of agricultural products Capital investments by food processing businesses using raw and/or first stage processed agricultural products	1. Turnover 2. Sustainability 3. Innovation 4. Education, Training, Skills 5. Employment	0- 4 (x 5) 0- 4 (x 4) 0- 4 (x 3) 0- 4 (x 3) 0-4 (x 2) Minimum quality threshold is a score of 20.	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.
		support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry	4.3	<i>Farm and Forestry Infrastructure Scheme</i> For woodlands, this scheme will operate within the envelope of the Glastir Woodland Management scheme, providing a list of access related options that would not be eligible under Measure 8. Capital investments in infrastructure related to the development, modernisation or adaptation of agriculture and forestry Strategic access roads; national grid connections; water conservation and management; land improvements; energy supplies and energy efficiencies – for use by several businesses not individual investments We propose to design a set of small scale capital grants options within Glastir. This will provide the opportunity, together with Glastir Woodland Creation and Management, to support Grazed Woodlands and help integrate small areas (less than 0.25ha) of trees into farm management. The Deputy Minister has indicated that she wants officials to work with stakeholders to ensure that this addresses the ongoing concerns about the impact of Basic Payment Scheme changes on trees on farms.	4a) Not applicable –subject to future modification 4b) to be delivered in an integrated way with Measures 8.5 and 8.6. Selection will be based on the same scoring system as for these sub measures – a list of GIS layers.	4a) Not applicable – subject to future modification 4b) To be delivered in an integrated way with Measures 8.5 and 8.6.	4a) Not applicable –subject to future modification 4b) As with Measure 8.5 and 8.6, selected applications will be required to complete a forest management plan and this will need to set out justification for the investment in roads and tracks – as set out in the measure the assessment and verification of the forest management plan against the UKFS and scheme rules will include verification that the roading density is appropriate and not excessive.	4a) Not applicable – subject to future modification 4b) Selection will be based on the same scoring system as for these sub measures – a list of GIS layers.
		support for non-productive investments linked to the achievement of agri-environment-climate objectives	4.4	<i>Glastir Advanced Capital elements and Glastir Habitat Network capital works</i> Provides investments that support the main activities that are undertaken under measure 10.1. For example, Items such as fencing and gates to allow appropriate management of	No EOI stage	No EOI stage	Investments through sub-measure 4.4 is purely environmental improvements ("non-productive" investments) linked to the achievement of agri-environment-climate	As per M.10.1 – available on the Welsh Government's internet site at: http://gov.wales/docs/dra/publications/150603-glastir-advanced-

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage
			<p>habitats or woodland or items that have positive environmental gains in their own rights such as hedgerows. Part of a delivery under 10.1</p> <p><i>Glastir Small Grant Scheme</i></p> <p>New commitment made for RDP 2014-20. Online scheme providing one off capital support for a range of items arranged by themes e.g. Pollinators, Landscape Features etc. Provides a part farm capital scheme for those wanting to do “something” to enhance the environment of their farm but not wanting to be constrained by a whole farm agreement.</p> <p><i>Glastir Small Grant Scheme – Small Woodlands or Starter Woodlands</i></p> <p>Simple small woodlands planting scheme designed for plantings less than 0.25ha in Glastir Woodland Creation. Aimed at riparian woodlands and shelter belts to slow peak water flow and to contribute to the Welsh Government carbon sequestration goals.</p>			objectives. The selection and prioritisation of 4.4 investments is therefore directly linked to and dominated by 10.1 (agri-environment-climate) objectives. And likewise for Glastir Woodlands Schemes.	selection-process-en.pdf The selection criteria for any future scheme that only offers non-productive investment support will still use the M.10.1 selection criteria as it will be used to addresses M.10.1 objectives.
Article 19 of Regulation (EU) No 1305/2013	farm and business development (Measure 6)	business start up aid for young farmers	<p><i>Young Farmer Start-up Scheme</i></p> <p>Business start-up aid for young farmers Working capital for young farmers (40 years of age or younger) taking control of a farm business for the first time</p>	No EOI stage	No EOI stage	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.
		business start up aid for non-agricultural activities in rural areas	<p><i>Rural Business Start-up Scheme</i></p> <p>Business start-up aid for non-agricultural activities in rural areas Working capital for sole traders; micro and small enterprises; farmers and/or members of a farm household setting up new non-agricultural enterprises All support must be additional and complementary to that provided by ES&T</p>	No EOI stage	No EOI stage	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.
		support for investments in creation and development of non-agricultural activities	<p><i>Rural Business Investment Scheme</i></p> <p>Support for investments in creation and development of non-agricultural activities Capital investments by sole traders; micro and</p>	1. Turnover 2. Sustainability 3. Innovation	0- 4 (x 5) 0- 4 (x 4) 0- 4 (x 3)	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal.

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage	
			small enterprises; farmers and/or members of a farm household in activities such as food processing (including drinks) not eligible under other grant schemes; agricultural contracting; other business activities not eligible under other grant schemes	4. Education, Training, Skills 5. Employment	0- 4 (x 3) 0-4 (x 2) Minimum quality threshold is a score of 20.	Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment	The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.	
Article 20 of Regulation (EU) No 1305/2013	basic services and village renewal in rural areas (Measure 7)	support for drawing up and updating of plans for the development of municipalities and villages in rural areas and their basic services and of protection and management plans relating to Natura 2000 sites and other areas of high nature value	7.1	<p><i>Rural Community Development Fund</i></p> <p>The Rural Community Development Fund (RCDF) will offer investment funding across a wide range of interventions designed to prevent poverty and mitigate the impact of poverty in rural communities, improving conditions which can lead to future jobs and growth.</p> <p>It is proposed that the Rural Community Development Fund will support:</p> <ul style="list-style-type: none"> The drawing up and updating of local development plans Investment in small-scale infrastructure (maximum of €200,000 per application) relating to community-based renewable energy actions, broadband, non-commercial tourism 	1. Effective community engagement during the development of the proposal 2. Additionality and strategic compliance 3. Access to services 4. Fuel poverty 5. In-work poverty 6. Digital inclusion	0- 5 (x 5) 0- 5 (x 4) 0- 5 (x 3) 0- 5 (x 3) 0- 5 (x 3) 0- 5 (x 3) Minimum quality threshold is a score of 25.	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.
		support for investments in the creation, improvement or expansion of all types of small scale infrastructure, including investments in renewable energy and energy saving	7.2	<ul style="list-style-type: none"> Investment in the setting-up, improvement or expansion of local basic services for the rural population e.g. community transport, child or dependent care Studies and investments associated with maintaining/restoring/upgrading cultural and natural heritage of villages, landscapes and HNV sites Investments in the relocation of activities and conversion of redundant/under-utilised buildings to bring them back into productive use <p>The RCDF will complement the support provided under M19 of the RDP by LEADER Local Action Groups (LAGs) The geographical coverage for the RCDF is consistent with the coverage for LEADER. Potential community-level applicants must discuss their ideas and proposals with the Local Action Groups (LAGs) prior to submitting an application to the Welsh Government. LAGs will assess the fit with the priorities of their approved Local Development Strategy (LDS) for their area and help to</p>	1. Effective community engagement during the development of the proposal 2. Additionality and strategic compliance 3. Access to services 4. Fuel poverty 5. In-work poverty 6. Digital inclusion	0- 5 (x 5) 0- 5 (x 4) 0- 5 (x 3) 0- 5 (x 3) 0- 5 (x 3) 0- 5 (x 3) Minimum quality threshold is a score of 25.	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.
		support for broadband infrastructure, including its creation, improvement and expansion, passive broadband infrastructure	7.3		1. Effective community engagement during the development of the proposal 2. Additionality and	0- 5 (x 5) 0- 5 (x 4)	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage	
		and provision of access to broadband and public e-government		develop the proposals if required.	strategic compliance 3. Access to services 4. Fuel poverty 5. In-work poverty 6. Digital inclusion	0- 5 (x 3) 0- 5 (x 3) 0- 5 (x 3) 0- 5 (x 3) Minimum quality threshold is a score of 25.	Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment	least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.
		support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure	7.4		1. Effective community engagement during the development of the proposal 2. Additionality and strategic compliance 3. Access to services 4. Fuel poverty 5. In-work poverty 6. Digital inclusion	0- 5 (x 5) 0- 5 (x 4) 0- 5 (x 3) 0- 5 (x 3) 0- 5 (x 3) 0- 5 (x 3) Minimum quality threshold is a score of 25.	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.
		support for investments for public use in recreational infrastructure, tourist information and small scale tourism infrastructure	7.5		1. Effective community engagement during the development of the proposal 2. Additionality and strategic compliance 3. Access to services 4. Fuel poverty 5. In-work poverty 6. Digital inclusion	0- 5 (x 5) 0- 5 (x 4) 0- 5 (x 3) 0- 5 (x 3) 0- 5 (x 3) 0- 5 (x 3) Minimum quality threshold is a score of 25.	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage	
		7.6			1. Effective community engagement during the development of the proposal 2. Additionality and strategic compliance 3. Access to services 4. Fuel poverty 5. In-work poverty 6. Digital inclusion	0- 5 (x 5) 0- 5 (x 4) 0- 5 (x 3) 0- 5 (x 3) 0- 5 (x 3) 0- 5 (x 3) Minimum quality threshold is a score of 25.	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.
		7.7			1. Effective community engagement during the development of the proposal 2. Additionality and strategic compliance 3. Access to services 4. Fuel poverty 5. In-work poverty 6. Digital inclusion	0- 5 (x 5) 0- 5 (x 4) 0- 5 (x 3) 0- 5 (x 3) 0- 5 (x 3) 0- 5 (x 3) Minimum quality threshold is a score of 25.	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013		Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage
Article 21 of Regulation (EU) No 1305/2013 (Measure 8)	investments in forest area development and improvement of the viability of forests	support for afforestation/creation of woodland establishment and maintenance	8.1	<p><i>Glastir Woodland Creation Scheme</i></p> <p>The woodland creation scheme will provide support for creating new woodland on any land that is not currently wooded – support for publicly owned land is limited to establishment costs only.</p> <p>Woodland creation includes a capital works grant, an annual maintenance grant and an income forgone payment.</p> <p>Woodland creation applications will require a creation plan – a form of Forest Management Plan which will be grant aided under measure 8.5.</p>	<p>Eoi has been run within Glastir for the first window. Selection conditions have been based on GIS Layers in the Woodland Opportunities Map.</p> <p>The Woodland Opportunities Map is available online in the Welsh Government “Lle” website. http://lle.wales.gov.uk/ click through to “application” and Woodland Opportunities Map.</p> <p>Further refinements to the selection and scoring for future EOIs will be made available on this site where appropriate.</p> <p>The map will be regularly updated as additional information becomes available. There is a commitment to provide information to applicants about the basis on which the map has been drawn up.</p>	<p>The scoring methodology is set out in detail in the attached presentation (Annex 2). Each layer in the positive selection map has been assigned between zero and 5 points. The assignment of points to applications is based on the interaction of the land parcels submitted at the EOI stage with the underlying scoring layers. Applications are prioritised in accordance with the resulting score. Selection of applications in each window will proceed from the highest scoring application down the list until, based on estimated expenditure, available funds for that round have been exhausted. In the event that applications do not proceed to final approval, remaining funds will be allocated to subsequent windows.</p>	Forest Management Plan (Woodland Creation Plan is an equivalent instrument) will be verified and approved. Applications must, if required, also carry out an Environment Impact Assessment. The plans must demonstrate the necessary environmental safeguards referred to in the previous column.	Selection at this stage is subject to production of a valid woodland creation plan which has been successfully verified against the UK Forestry Standard.
		support for establishment and maintenance of agro-forestry systems	8.2	<p><i>Glastir Woodland Creation scheme</i></p> <p>This scheme will run as part of Glastir Woodland Creation providing for additional options for scattered trees to be established as new farming systems on farms.</p>	<p>EOI has been run within Glastir for the first window. Selection conditions have been based on GIS Layers in the Woodland Opportunities Map.</p>	<p>The selection process will be the same as for 8.1 Afforestation using the same criteria.</p>	Forest Management Plan (Woodland Creation Plan is an equivalent instrument) will be verified and approved. Applications must if required also carry out an Environment Impact Assessment.	Selection at this stage is subject to production of a valid woodland creation plan which has been successfully verified against the UK Forestry Standard.
		support for prevention of damage to forests from		8.3	<i>Forest Monitoring and Risk Management Scheme</i>	This measure will be subject to an EOI later in	No decision on thresholds has been taken at this	An agreement for work will be reached in co-operation

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage	
			forest fires and natural disasters and catastrophic events	Support for prevention of damage to forests from forest fires and natural disasters and catastrophic events. Monitoring against disease; establishing and improving forest, pest and diseases monitoring facilities (including communication equipment); removing infected material, clearance of sites where required. It is intended that this scheme will support monitoring by NRW. It can support action to respond to new disease or forest pest outbreaks while the aim is prevention of disease.	2015. Selection will include the requirement for the delivery body to have necessary powers to undertake the monitoring work.	stage. It is intended to employ an approach that is consistent with the selection of investment schemes under Measure 8.6.	with Natural Resources Wales which is the appropriate body identified.	production of a valid business plan. All applications which produce a valid business plan will be selected.
		8.4	support for restoration of damage to forests from forest fires and natural disasters and catastrophic events	<i>Glastir Woodlands - Restoration</i> Support for restoration of woodlands affected by Phytophthora ramorum. Only this disease currently meets the threshold test of 20% of forest function. Other diseases like Chalara fraxinea in Ash have not yet reached that level of impact.	First EOI has been run for the first window in Glastir. The criteria applied were as in the previous column.	All applications which meet the eligibility test were selected. Prioritisation among schemes which met the criteria would be carried out on the basis of the largest applications being selected first until all funds were expended.	Forest Management Plan will be verified by the Managing Authority with appropriate advice.	Selection at the second stage is dependant on completion of a valid forest management plan – all applications which produce a valid management plan will be awarded a contract.
		8.5	support for investments improving the resilience and environmental value of forest ecosystems	<i>Glastir Woodlands – Forest Management Plans</i> This measure has been agreed as the main measure for paying for forest management plans which are required to enable access to other Measure 8 support. This also enables Welsh Government to “outsource” work previously done by employed Forestry Commission staff to the beneficiary thus reducing cost of administration of the Glastir Woodlands schemes. Forest management plans are required for Woodland Creation, Woodland Restoration and Woodland Management but rather than split the activity across measures it has been agreed to use this single measure for the plans that support all these activities. <i>Glastir Woodlands -Management (Environment)</i> Support for management of existing woodland for environmental aims. Ensuring that woodlands are resilient in face of climate	Selection criteria will be based on the data sets described. Data sets are provided by NRW and kept under regular review to ensure they are up to date. Woodland must be existing woodland not in a conflicting grant funding arrangement. Having been selected using the layers and scoring process, the applicant will be invited to prepare a Forest Management Plan using a listed woodland management planner. Management Planners must be appropriately professionally qualified and drawn from a list	The Forest Management Plan funding will be allocated from this measure according to the selection criteria in the afforestation and agroforestry measures where the plan is a woodland creation plan or from the criteria to be developed for this measure where they relate to management of one or more existing woodland. The selection process for GWM will be based on a set of layers and operated on a similar basis to the afforestation and agroforestry measure but with a focus on spatial priorities relating to	Forest Management Plan will be the basis of selection for award of funding. The plan will be verified against the UK Forestry Standard which gives effect to the principles and criteria contained in the EU Regulations and the Ministerial Conference for the Protection of Europe's Forests.	? Selection at this stage will be based on submission of a valid Forest Management Plan – which will need to include all necessary permissions and consultation with the public and with statutory bodies to comply with the UK Forestry Standard. All applications having passed the first stage of selection which also produce a verified management plan will be offered a contract.

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage
			change, increasing diversity in woodland and together with measure 4.3 supporting access to woodlands to enable management. Responding to targets for improving condition of important woodland dependant species and their habitats. Enabling and improving water quality within woodlands, supporting controlled grazing, protecting woodlands from agricultural stock.	maintained by Welsh Government. A management planning grant will be paid to the beneficiary – not as previously, directly to the planner on satisfactory verification of the plan.	management of existing woodland rather than creation of new woodland. Full layers not yet available as the scheme is still being worked up.		
	support for investments in forestry technologies and in processing, mobilising and marketing of forest products	8.6	<p>Support for investments in forestry technologies and in processing, mobilising and marketing of forest products <i>Timber Business Investment Scheme</i> Capital investments by SMEs in timber processing (prior to industrial scale processing); forestry harvesting contracting; other timber processing such as wood fuel; certain investments within the forest to improve commercial management such as roads or stacking places.</p> <p><i>Glastir Woodlands – Management (Economy)</i> Complementing Glastir Woodland Management for environment this will focus on enabling and improving the economic value of woodlands – for example by improving stocking. This may also assist with the declining carbon sink.</p>	<p>8.6a 1. Improve capacity to grow or use timber grown in Wales 2. Expand local markets and their benefits 3. Improve harvesting of timber from thinnings, or small scale, inaccessible woodland using appropriate machinery 4. Demonstrate that specific forests will be improved as a result of the project. Calculated based on area of woodland to be managed. 5. Value for Money. Calculated based on area of woodland and gross project value.</p> <p>8.6b Improve capacity to grow or use timber grown in Wales from a variety of species in order to build resilience to climate change including through greater use of timber in construction (up to 10 points)</p>	<p>0-4 (x2) 0-4 (x1) 0-4 (x1) 0-4 (x1) 0-4 (x1) 0 points - Projects which are for equipment that is not suitable for thinning or which do not fit the forest or forests in which they are to be used. 1 – 2 points –where there is no demonstrable increase in sustainable supply of timber from Wales 2-5 points – projects where there is some increase in timber harvesting from thinnings</p>	<p>8.6a [ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment</p> <p>8.6b [ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment</p>	<p>The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.</p> <p>8.6b The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.</p>

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage
				<p>Expand local markets or local supply chains and safeguard employment and provide access to training, and apprenticeships and continued support for career progression of employees (up to 5 points)</p> <p>Improve harvesting of timber from thinnings, or small scale, inaccessible woodland and steep ground working using appropriate machinery including skidder, smaller harvesters and forwarders, or other appropriate technology that is shown to improve resilience and sustainable supply of wood from Wales (up to 10 points)</p>	<p>or which involve conversion of management from clearfell to thinning or CCF but which are mainly based in woodland that are already being managed.</p> <p>5- 7 points – projects which demonstrate introduction of un-managed woodland into sustainable production providing clearfell is limited to essential areas only.</p> <p>7 – 10 points – well defined projects that meet all the above and present a highly convincing and credible case that the projected benefits will be delivered.</p> <p>0 points - Projects which do not demonstrate a clear baseline for improvement</p> <p>1 point – projects which have a weak baseline or lack detail or which do not demonstrate have not considered one or more of the benefits (markets, supply chains, training, apprenticeships and career progression.</p> <p>2 points – projects with a well defined baseline and modest improvements in the benefits sought.</p> <p>3 points – projects with</p>		

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage
				<p>Demonstrate that specific forests will be improved as a result of the project</p> <p>Value for money measured as total project value divided by number of hectares improved.</p>	<p>well defined baseline and strong case for significant improvement in benefits sought.</p> <p>4 - 5 points – well or very well defined projects that meet all the above and present a highly convincing and credible case that the projected benefits will be delivered.</p> <p>1 – 2 points –where there is no demonstrable increase in sustainable supply of timber from Wales</p> <p>2-5 points – projects where there is some increase in timber harvesting from thinnings or which involve conversion of management from clearfell to thinning or CCF but which are mainly based in woodland that are already being managed.</p> <p>5- 7 points – projects which demonstrate introduction of un-managed woodland into sustainable production providing clearfell is limited to essential areas only.</p> <p>7 – 10 points – well defined projects that meet all the above and present a highly convincing and credible case that the projected benefits will be</p>		

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage	
					<p>delivered.</p> <p>The proposal with the largest number of hectares clearly demonstrated as being approved will be allocated 10 points in each round, all other proposals will be allocated a pro-rata proportion of points based on the number of hectares of forests improved.</p> <p>Best value (lowest project cost per hectare) is allocated 10 points and remaining projects allocated a pro-rata proportion of the best value project.</p>			
Article 28 of Regulation (EU) No 1305/2013	agri-environment-climate (Measure 10)	payment for agri-environment-climate commitments	10.1	<p>Glastir is a suite of sustainable land management schemes paid for under the RDP. Each of the schemes is designed to meet a specific purpose and payments are made for a combination of capital works, income foregone (from loss of opportunity to maximise agricultural output) and costs incurred. As such all schemes require an element of additional activity from normal practice and consequently meet the “something” for “something” test, but the extent and type of operations are varied and differ in their perceived and actual value to both participants and the Welsh environment and economy.</p> <p><i>Glastir Entry</i> Basic level scheme where activity is farmer led and chosen from a wide range of capital (e.g. tree and hedge planting) and management options. In terms of activities much of the work is analogous to many Nature Fund agreements but without the co-operative element. WAO found the scheme to provide much greater additionality than predecessors due to the</p>	Exempted from consultation with the Programme Monitoring Committee under Article 49(1) of 1305/2013 (“the Managing Authority shall define selection criteria for operations following a consultation with the Programme Monitoring Committee under all Measures (with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, as referred to in Art. 49(2)).”)	Exempted from consultation with the Programme Monitoring Committee under Article 49(1) of 1305/2013 (“the Managing Authority shall define selection criteria for operations following a consultation with the Programme Monitoring Committee under all Measures (with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, as referred to in Art. 49(2)).”)	Exempted from consultation with the Programme Monitoring Committee under Article 49(1) of 1305/2013 (“the Managing Authority shall define selection criteria for operations following a consultation with the Programme Monitoring Committee under all Measures (with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, as referred to in Art. 49(2)).”)	Exempted from consultation with the Programme Monitoring Committee under Article 49(1) of 1305/2013 (“the Managing Authority shall define selection criteria for operations following a consultation with the Programme Monitoring Committee under all Measures (with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, as referred to in Art. 49(2)).”)

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage
			<p>relatively high capital component of activities, although the benefits are dispersed and not focused. Under the new plan a number of “softer” options have been removed or payments reduced which further increases additionality.</p> <p><i>Glastir Advanced – area based elements</i> The scheme prioritises applications based on where there is a known environmental requirement (e.g. failing water catchment) and activities (both capital and area based) are signed up by contract managers tailored to the requirements for which the farm has been selected. The scheme addresses previous criticism of agri-environment not being targeted where needed and is well suited for working in tandem with Area based Natural Resource Management plans.</p> <p><i>Glastir Commons</i> A co-operative scheme whereby those with active grazing rights within a Grazing Association submit to a sustainable stocking regime with the potentially to upgrade to an Advanced agreement for more activity based works e.g. heather burning regimes, bracken control, dry stone walls and shepherding. Important contribution to management of upland carbon stocks. Widely perceived as successfully encouraging co-operative working on areas formerly outside of the reach of agri-environment. Evaluations have praised scheme for benefits to social capital and as exemplar of facilitation based scheme.</p> <p><i>Glastir Habitat Network – area based elements</i> New commitment made for RDP 2014-20. Part farm habitat management scheme rolled out as pilots in key regions to bring particularly important habitats into favourable management for a suite of priority species not likely to be addressed via Glastir Advanced. Example could be a SW Wales Rhos Pasture scheme aimed at re-introducing cattle management to a wide area of neglected and undergrazed marshland</p>				

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage
			(benefitting e.g. the marsh fritillary). Facilitated by project champions funded out of co-operation measure with potential involvement by biodiversity/NGO's. Could be linked to e.g. food branding opportunities using other RDP measures. Admin costs ratio likely to be high compared to spend on land management.				
Article 29 of Regulation (EU) No 1305/2013	organic farming (Measure 11)	payment to convert to organic farming practices and methods	<p><i>Glastir Organics - Conversion</i></p> <p>Glastir Organics- Support to convert to certified organic status. Organic farming systems work with natural systems to maintain soil fertility and to avoid pest and diseases, avoiding the use of synthetic inputs such as fertilisers and pesticides. Beneficial to pollinators</p>	Exempted from consultation with the Programme Monitoring Committee under Article 49(1) of 1305/2013 ("the Managing Authority shall define selection criteria for operations following a consultation with the Programme Monitoring Committee under all Measures (with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, as referred to in Art. 49(2)).")	Exempted from consultation with the Programme Monitoring Committee under Article 49(1) of 1305/2013 ("the Managing Authority shall define selection criteria for operations following a consultation with the Programme Monitoring Committee under all Measures (with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, as referred to in Art. 49(2)).")	Exempted from consultation with the Programme Monitoring Committee under Article 49(1) of 1305/2013 ("the Managing Authority shall define selection criteria for operations following a consultation with the Programme Monitoring Committee under all Measures (with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, as referred to in Art. 49(2)).")	Exempted from consultation with the Programme Monitoring Committee under Article 49(1) of 1305/2013 ("the Managing Authority shall define selection criteria for operations following a consultation with the Programme Monitoring Committee under all Measures (with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, as referred to in Art. 49(2)).")
		payment to maintain organic farming practices and methods	<p><i>Glastir Organics - Maintenance</i></p> <p>Glastir Organics- Support to maintain certified organic status. Attempts to target support at areas where environmental opportunity is highest or at sectors where economic potential is greatest have been subverted by EC position (which is dogmatically pro-Organic wherever and does not believe in selection).</p>	Exempted from consultation with the Programme Monitoring Committee under Article 49(1) of 1305/2013 ("the Managing Authority shall define selection criteria for operations following a consultation with the Programme Monitoring Committee under all Measures (with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, as referred to in Art. 49(2)).")	Exempted from consultation with the Programme Monitoring Committee under Article 49(1) of 1305/2013 ("the Managing Authority shall define selection criteria for operations following a consultation with the Programme Monitoring Committee under all Measures (with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, as referred to in Art. 49(2)).")	Exempted from consultation with the Programme Monitoring Committee under Article 49(1) of 1305/2013 ("the Managing Authority shall define selection criteria for operations following a consultation with the Programme Monitoring Committee under all Measures (with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, as referred to in Art. 49(2)).")	Exempted from consultation with the Programme Monitoring Committee under Article 49(1) of 1305/2013 ("the Managing Authority shall define selection criteria for operations following a consultation with the Programme Monitoring Committee under all Measures (with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, as referred to in Art. 49(2)).")

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013		Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage
Article 34 of Regulation (EU) No 1305/2013	forest-environmental and climate services and forest conservation (Measure 15)	payment for forest-environmental commitments	15.1	<p><i>Glastir Woodlands – Area Payments</i></p> <p>A range of area payments to support:</p> <ul style="list-style-type: none"> - Conversion of woodland to restore peatland by providing an income forgone payment to reflect loss of timber income. - Delayed restocking where this is required to improve status of acidified catchments <p>Regular multiannual mowing of rides to improve habitat for invertebrates (butterflies etc.).</p>	Exempted from consultation with the Programme Monitoring Committee under Article 49(1) of 1305/2013 (“the Managing Authority shall define selection criteria for operations following a consultation with the Programme Monitoring Committee under all Measures (with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, as referred to in Art. 49(2)).”)	Exempted from consultation with the Programme Monitoring Committee under Article 49(1) of 1305/2013 (“the Managing Authority shall define selection criteria for operations following a consultation with the Programme Monitoring Committee under all Measures (with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, as referred to in Art. 49(2)).”)	Exempted from consultation with the Programme Monitoring Committee under Article 49(1) of 1305/2013 (“the Managing Authority shall define selection criteria for operations following a consultation with the Programme Monitoring Committee under all Measures (with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, as referred to in Art. 49(2)).”)	Exempted from consultation with the Programme Monitoring Committee under Article 49(1) of 1305/2013 (“the Managing Authority shall define selection criteria for operations following a consultation with the Programme Monitoring Committee under all Measures (with the exception of operations under Articles 28 to 31, 33 to 34 and 36 to 39, as referred to in Art. 49(2)).”)
Article 35 of Regulation (EU) No 1305/2013	Cooperation (Measure 16)	support for the establishment of operational groups of the EIP for agricultural productivity and sustainability	16.1	<p><i>European Innovation Partnership</i></p> <p>It is proposed that Wales embraces the opportunities offered by the EIP, which through addressing issues of poor coordination, and overcoming disadvantages of fragmentation will improve innovative practices on the ground.</p> <p>The Welsh Government would lead the establishment of “EIP Wales”, setting eligibility conditions, specific composition requirements, selection criteria and targeting to facilitate and support the establishment of appropriate Operational Groups.</p> <p>Topics may include for instance: technical solutions to increasing productivity or resource efficiency, maximising sustainable use of ecosystem services, soil functionality and water management, integrated supply chain solutions, benchmarking and managerial innovation for producers, or development of new food quality and livestock health care schemes.</p>	Not applicable. It is envisaged that there will be a one step application process for the establishment and execution of an OG	Not applicable. It is envisaged that there will be a one step application process for the establishment and execution of an OG	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be a rating of High for Strategic Fit, Value for Money and Project Management and Medium across the remaining 6 categories.
		support for pilot projects and for the development of new products, practices, processes and technologies	16.2	<p><i>Co-operation and Supply Chain Development Scheme</i></p> <p>It is proposed that the Co-operation and Supply Chain Development Scheme will be a Welsh Government-operated fund consisting of six</p>	1. Stakeholder engagement 2. Barriers engagement to	0- 5 (x 5) 0- 5 (x 4) 0-5 (x5)	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage
			<p>themes:</p> <ul style="list-style-type: none"> New Ways Shared Opportunities Supply chains and Local Markets Natural Resource Management Biomass Social Cohesion 	<p>3. Additionality & Strategic Compliance</p> <p>4. Communication</p> <p>5. Evaluation</p> <p>6. Outputs / Outcomes</p>	<p>0- 5 (x 3)</p> <p>0- 5 (x 2)</p> <p>0 -5 (x 2)</p> <p>Minimum quality threshold is a score of 20.</p>	<p>Value for Money</p> <p>Long Term Sustainability</p> <p>Cross Cutting Themes</p> <p>Suitability of Investment</p>	<p>least 9 Lows.</p> <p>This will apply to all of the Sub Measures where a direct application can be made.</p>
	co-operation among small operators in organising joint work processes and sharing facilities and resources, and for developing and marketing tourism	16.3	<p>The types of activity will include the following:</p> <ul style="list-style-type: none"> Pilot projects Co-operation between operators in farming, food and tourism Short supply chains & local markets Climate change and the environment Provision of biomass Diversification of farming activities into social functions. <p>The Co-operation and Supply Chain Development Scheme is designed to make new things happen. It cannot be used to support joint activities which are already taking place but could support an existing group of co-operating entities in undertaking a new joint project. As part of the above it can also support the adaptation of existing farming practices, research when directly linked to a practical project, and demonstration activities when linked to the final stage of testing / validating technology.</p> <p>It will provide support for the full scope of a project from the initial stages through delivery and into dissemination and evaluation and as such will require as relatively detailed plan to be prepared unless funding is being sought for the initial stage only. It will provide both revenue and capital support.</p>	<p>1. Stakeholder engagement</p> <p>2. Barriers to engagement</p> <p>3. Communication</p> <p>4. Evaluation</p> <p>5. Outputs / Outcomes</p>	<p>0- 5 (x 5)</p> <p>0- 5 (x 4)</p> <p>0- 5 (x 3)</p> <p>0- 5 (x 2)</p> <p>0 -5 (x 2)</p> <p>Minimum quality threshold is a score of 20.</p>	<p>[ESI 9 criteria to be used]</p> <p>Strategic Fit</p> <p>Delivery</p> <p>Financial & Compliance</p> <p>Management of Operation</p> <p>Indicators & Outcomes</p> <p>Value for Money</p> <p>Long Term Sustainability</p> <p>Cross Cutting Themes</p> <p>Suitability of Investment</p>	<p>The scoring matrix for the 9 Selection Criteria is;</p> <p>High / Medium / Low / Minimal.</p> <p>The threshold is to be at least 9 Lows.</p> <p>This will apply to all of the Sub Measures where a direct application can be made.</p>
	support for horizontal and vertical co-operation among supply chain actors for the establishment and development of short supply chains and local markets and for promotion activities in a local context relating to the development of short supply chains and local markets	16.4	<p>It will provide support for the full scope of a project from the initial stages through delivery and into dissemination and evaluation and as such will require as relatively detailed plan to be prepared unless funding is being sought for the initial stage only. It will provide both revenue and capital support.</p>	<p>1. Stakeholder engagement</p> <p>2. Barriers to engagement</p> <p>3. Additionality & Strategic compliance</p> <p>4. Communication</p> <p>5. Evaluation</p> <p>6. Outputs / Outcomes</p>	<p>0- 5 (x 5)</p> <p>0- 5 (x 4)</p> <p>0-5 (x5)</p> <p>0- 5 (x 3)</p> <p>0- 5 (x 2)</p> <p>0 -5 (x 2)</p> <p>Minimum quality threshold is a score of 20.</p>	<p>[ESI 9 criteria to be used]</p> <p>Strategic Fit</p> <p>Delivery</p> <p>Financial & Compliance</p> <p>Management of Operation</p> <p>Indicators & Outcomes</p> <p>Value for Money</p> <p>Long Term Sustainability</p> <p>Cross Cutting Themes</p> <p>Suitability of Investment</p>	<p>The scoring matrix for the 9 Selection Criteria is;</p> <p>High / Medium / Low / Minimal.</p> <p>The threshold is to be at least 9 Lows.</p> <p>This will apply to all of the Sub Measures where a direct application can be made.</p>
	support for joint action undertaken with a view to mitigating or adapting to climate change and for joint approaches to environmental projects and ongoing environmental practices	16.5	<p>The Sustainable Management Scheme</p> <p>The scheme aims to support collaborative landscape-scale projects delivering action that improves our natural resources in a way that delivers benefits to farm and rural businesses and rural communities. It will also support and facilitate co-ordination with other schemes to undertake the vital action needed to improve the resilience of farm and rural businesses and rural communities to the climate impacts</p>	<p>1. Action to tackle one or more of the emerging national priorities from the Natural Resources Policy Statement 2015</p> <p>2. Application of the principles of sustainable management of</p>	<p>0- 4 (x3)</p> <p>0- 4 (x 4)</p> <p>0- 4 (x 3)</p> <p>0- 4 (x 2)</p> <p>0 -4 (x 2)</p>	<p>[ESI 9 criteria to be used]</p> <p>Strategic Fit</p> <p>Delivery</p> <p>Financial & Compliance</p> <p>Management of Operation</p> <p>Indicators & Outcomes</p> <p>Value for Money</p> <p>Long Term Sustainability</p> <p>Cross Cutting Themes</p> <p>Suitability of Investment</p>	<p>The scoring matrix for the 9 Selection Criteria is;</p> <p>High / Medium / Low / Minimal.</p> <p>The threshold is to be at least 9 Lows.</p> <p>This will apply to all of the Sub Measures where a direct application can be</p>

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage
			through support for projects that directly reduce greenhouse gas emissions from land management and farm business activities.	<ul style="list-style-type: none"> 3. Action to tackle natural resources Local area challenges and take forward opportunities 4. Ensuring good governance, project management & clearly identified outcomes 5. Clear and appropriate monitoring and evaluation plans. 	<p>Minimum quality threshold is a score of 20.</p> <p>A 0 score in criteria 1-3 will prevent the EOI from progressing.</p>		made.
	support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes	16.6		<ul style="list-style-type: none"> 1. Stakeholder engagement 2. Barriers to engagement 3. Communication 4. Evaluation 5. Outputs / Outcomes 	<ul style="list-style-type: none"> 0- 5 (x 5) 0- 5 (x 4) 0- 5 (x 3) 0- 5 (x 2) 0- 5 (x 2) Minimum quality threshold is a score of 20. 	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.
	support for drawing up of forest management plans or equivalent instruments	16.8	<p>Strategic Forest Planning</p> <p>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.</p> <p>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.</p> <p>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</p>	<ul style="list-style-type: none"> 1. The bid must explain how the proposal contributes to woodland creation (in line with opportunities map), or bringing more woodland into good management 2. The proposal must clearly explain how the bid will apply the principles of Sustainable Management of Natural Resources (SMNR) in the 	<ul style="list-style-type: none"> 0- 5 0- 5 0- 5 (x 3) 0- 5 (x 2) Minimum quality threshold is a score of 12 	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage
			<p>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.</p>	<p>development and implementation of their proposal, and how they will comply with the UK Forestry Standard and guidelines as they apply to forest standards.</p> <p>3. The bid must clearly show how the proposal will build on and complement existing work including work proposed in other RC-RDP schemes</p> <p>4. The bid must be <i>strategic in scope</i>, demonstrating that it will encompass opportunities at a Wales wide level</p>			
	support for diversification of farming activities into activities concerning health care, social integration, community-supported agriculture and education about the environment and food	16.9		<p>1. Stakeholder engagement</p> <p>2. Barriers engagement to</p> <p>3. Communication</p> <p>4. Evaluation</p> <p>5. Outputs / Outcomes</p>	<p>0- 5 (x 5)</p> <p>0- 5 (x 4)</p> <p>0- 5 (x 3)</p> <p>0- 5 (x 2)</p> <p>0- 5 (x 2)</p> <p>Minimum quality threshold is a score of 20.</p>	[ESI 9 criteria to be used] Strategic Fit Delivery Financial & Compliance Management of Operation Indicators & Outcomes Value for Money Long Term Sustainability Cross Cutting Themes Suitability of Investment	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.
Article 35 of Regulation (EU) No 1303/2013	support for LEADER local development (CLLD) (Measure 19)	preparatory support	<p>LEADER Support for Community-led Local Development (CLLD) via the LEADER method. Local Action Groups (LAGs) develop a Local Development Strategy for their geographical area which sets out the SWOT analysis and strategic objectives for the Programme period. LAGs engage with people living in rural areas, build their capacity to identify the barriers they face to development and support them to pilot solutions to overcome these barriers. The results of these pilots must be widely</p>	No EOI stage	No EOI stage	<p>1. Strategic Fit</p> <p>2. Financial & Compliance</p> <p>3. Delivery</p> <p>4. Management of Operation</p> <p>5. Value for Money</p> <p>6. Indicators & Outcomes</p>	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage
			disseminated and can inform future rural development policy. Activities under LEADER must address at least one of the 18 RDP Focus Areas and must similarly be linked to one of the five LEADER themes for Wales:			7. Suitability of Investment 8. Cross Cutting Themes 9. Long Term Sustainability	
	support for implementation of operations under the CLLD strategy	19.2	<ol style="list-style-type: none"> 1. Adding value to local identity and natural and cultural resources 2. Facilitating pre-commercial development, business partnerships and short supply chains 3. Exploring new ways of providing non-statutory local services 4. Renewable energy at Community level 5. Exploitation of digital technology <p>M19 includes support for:</p> <ul style="list-style-type: none"> • the running costs and animation functions of the LEADER Local Action Groups (LAGs) • the implementation of their Local Development Strategies and • co-operation projects the LAGs deliver in partnership with LAGs from other parts of the UK and/or other Member States and/or third countries. These projects are designed to share best practice and encourage Wales to learn from the experience of other Member States 	No EOI stage	No EOI stage	<ol style="list-style-type: none"> 1. Strategic Fit 2. Financial & Compliance 3. Delivery 4. Management of Operation 5. Value for Money 6. Indicators & Outcomes 7. Suitability of Investment 8. Cross Cutting Themes 9. Long Term Sustainability 	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.
	preparation and implementation of cooperation activities of the local action group	19.3		No EOI stage	No EOI stage	<ol style="list-style-type: none"> 1. Strategic Fit 2. Financial & Compliance 3. Delivery 4. Management of Operation 5. Value for Money 6. Indicators & Outcomes 7. Suitability of Investment 8. Cross Cutting Themes 9. Long Term 	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage	
						Sustainability		
		support for running costs and animation	19.4		No EOI stage	No EOI stage	<ol style="list-style-type: none"> 1. Strategic Fit 2. Financial & Compliance 3. Delivery 4. Management of Operation 5. Value for Money 6. Indicators & Outcomes 7. Suitability of Investment 8. Cross Cutting Themes 9. Long Term Sustainability 	The scoring matrix for the 9 Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.
Articles 51 to 54 of Regulation (EU) No 1305/2013	technical assistance (Measure 20)	support technical assistance (other than NRN)	20.1	<p><i>Technical Assistance</i> Monitoring and Evaluation: the regulatory and mandatory evaluations for the Wales RDP. Managing Authority delivery requirements.</p> <p>PPIMS – the IT platform to deliver the socio-economic elements of the RDP.</p>	No EOI stage	No EOI stage	<p>Application selection to be based upon ESI criteria:</p> <ul style="list-style-type: none"> - Strategic Fit - Delivery - Financial & Compliance - Management of Operation - Indicators & Outcomes - Value for Money - Cross Cutting Themes - Suitability of Investment <p>Long Term Sustainability will not be assessed as it is not relevant for Technical Assistance projects</p>	The scoring matrix for the Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be made.
		support for establishing and operating the NRN	20.2	<p><i>Technical Assistance – Wales Rural Network (WRN)</i> The main activities of the Wales Rural Network (WRN) are to ensure that there is an exchange of expertise between all parties involved with the RDP; to support implementation and evaluation of rural development policy; and to secure and co-ordinate the flow of information between the local, national and European</p>	No EOI stage	No EOI stage	<p>Application selection to be based upon ESI criteria:</p> <ul style="list-style-type: none"> - Strategic Fit - Delivery - Financial & Compliance - Management of Operation - Indicators & Outcomes - Value for Money 	The scoring matrix for the Selection Criteria is; High / Medium / Low / Minimal. The threshold is to be at least 9 Lows. This will apply to all of the Sub Measures where a direct application can be

Measure under Regulation (EU) No 1305/2013 or Regulation (EU) No 1303/2013	Sub-measure for programming purposes	Sub-measure code under this Regulation	Title of proposed Welsh Government Scheme/Fund including Thumbnail sketch of scheme(s)	Selection Criteria at Expression of Interest (EOI) stage (where applicable)	Scoring criteria at Expression of Interest (EOI) stage (where applicable) Score & Weighting Factor	Selection Criteria at application stage	Scoring Criteria at application stage
			levels. Implementation of the Communications Strategy for the RDP.			<ul style="list-style-type: none"> - Cross Cutting Themes - Suitability of Investment Long Term Sustainability will not be assessed as it is not relevant for Technical Assistance projects	made.

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

Eligibility of operations depending on location – includes out of area and spill-over benefits

Issue

1. The PMC must agree with WEFO's proposed support of ERDF activities that are not located within the programming area that provides the funding. The role of the PMC is to be satisfied that the planned activities will deliver benefits to the programming area.
2. WEFO proposes to support out-of-area activities in a certain type of operation (see Annex A) and the PMC is therefore asked to provide its agreement. Without the PMC's agreement, such out-of-area activity will not be supported and will introduce a limitation on the ability to provide support for research capacity building on a pan-wales basis.
3. Members are reminded that the decision on whether to select and approve funding for ERDF operations remains the responsibility of WEFO, subject to the assessment criteria previously approved by the PMC. PMC agreement of potential out-of-area activity is therefore without prejudice to WEFO's usual funding assessment and selection procedures.

Background

4. In June 2015 the PMC considered two papers about the eligibility of activities taking place outside of the programming area. The first (WPMC(15)51-A) (copy attached for ease) explained the rules and the role of the PMC. The other was WPMC(15)51-B which received the PMC's agreement to out of area activity for certain ERDF marine energy operations. In the Autumn of 2015 the PMC also agreed, via written procedure, a paper (WPMC(15)61) about support for out of area activity in research operations to help facilitate successful translation of research and innovation (ERDF Priority 1 Specific Objective 1.2 operations).

Recommendation

5. Members are asked to agree that WEFO can proceed with offering support for out-of-area activity in the circumstances set out in annex A.

Author: Keith Parsons
Approved by: Sue Price
Date: November 2016

ANNEX A

Criteria/ considerations	WEFO response
<p>Agreement requested for:</p> <p>a) a specific operation; or b) certain types of operation?</p>	<p>Types of operation, being research capacity building operations supported by Priority 1, Specific Objective 1.1.</p> <p>More specifically, research capacity building operations that involve pan-Wales infrastructure as well as supporting services resulting in some cross-border expenditure and benefits.</p>
<p>Description of the out-of-area activity</p>	<p>Operations in the two programming areas that use pan-Wales infrastructure that either exists, needs maintaining and updating or needs to be created. Where this infrastructure is located in one programming area it may be necessary for research activities or research support activities in another area to use it - this may result in out-of area spend or spill-over benefits.</p>
<p>Applicable fund/ programmes?</p>	<ul style="list-style-type: none"> • ERDF, West Wales and the Valleys; and • ERDF East Wales.
<p>Could the activity be undertaken within the programming area?</p>	<p>Out-of-area activity will only be used if the capacity of infrastructure within the Programme area is not sufficient or would cause too much of a burden on the infrastructure in that programming area thus restricting its use and access. It is sensible and efficient in some cases to plan to use infrastructure and capacity in another programming area. This is in line with the principles of smart specialisation where investments should be based on existing or strongly emerging areas of expertise/capacity rather than trying to create something from nothing. It also reflects the collaborative nature of research.</p>
<p>Where is the activity likely to take place?</p>	<p>The research activities and research supporting activities will always take place in the home programming area which is also where the research benefits (e.g. research awards secured) are claimed.</p> <p>The activity to maintain, update or create the research infrastructure will take place where it is physically located. For capacity and efficiency reasons it may be necessary for research activities and research support activities in one programming area to use the research infrastructure facilities in another programming area.</p> <p>Where research infrastructure facilities are located in</p>

	two programming areas it could be necessary for them to be linked for resilience so that activities could be switched between the two at times of exceptional demand or breakdown. Such occasions are expected to be exceptional but would be recorded and reported.
Assessment of how benefits will flow to the programming area – <u>qualitative</u>	The direct benefits and results in terms of research awards secured and location of existing and new researchers will flow exclusively to the organisations that host them. Improved infrastructure facilities will be counted where they are located.
Assessment of how benefits will flow to the programming area – <u>quantitative</u>	No quantitative assessment of benefits needed as the full benefits will flow solely to the programme area where the research activities and research support activities are based.
Will any benefits flow to other regions/ countries (other than marginal spill-over benefits =<5%)?	No. The direct benefits and results in terms of research income secured and location of existing and new researchers will flow exclusively to the organisations in the region. Improved Infrastructure facilities will be counted where they are located.
Amounts allocated less than 15% at the level of programme priority?	Yes. To be monitored by WEFO and confirmed in annual implementation reports (AIRs).
Suitable arrangements in place for audits and verifications?	Yes. Welsh Government staff (WEFO or European Funds Audit Team) would undertake any necessary site visits, including to the other programme area(s).

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

Eligibility of activities taking place outside of the programming area

Issue

1. Activities funded by the European Structural & Investment Funds are usually only eligible for support if they take place within the geographical area covered by the programme from which the funding is drawn (the 'programming area').
2. The EU Regulations provide certain exceptions to this rule, where activity can take place in other regions/ countries if necessary and where the benefits will be delivered to the programming area.
3. This paper sets out the regulatory requirements for supporting activity outside of the programming area and explains the role of the PMC in agreeing such proposals.
4. Paper **WPMC(15)51-B** seeks the agreement of the PMC to use this option for certain types of ERDF-funded marine energy activity.

Recommendation

5. Paper to note.

Background

6. Before explaining the rules, two phrases need to be further explained – 'location of an operation' and 'benefit to the programming area'.
7. The 'location' of an operation, project or activity means where it is implemented or takes place. So for investments in infrastructure and physical assets, the location is simply the place where those items are located. For investments in people or intangible investments such as research activity, the location is where the activity (the 'intervention') actually takes place. An operation – potentially comprising many projects and activities – could therefore be 'located' in many different places.
8. Activity that takes place in another region/ country may still be 'for the benefit of the programming area' that funds it. When considering whether to support such 'out-of-area' activity, an assessment of the anticipated benefits must be undertaken by the programme managing authority to ensure a suitably justified case can be put to the PMC for agreement (see points 13 to 15 below). This assessment will consider:

- **Who** will use/ utilise/ benefit from the outputs or outcomes of the activities taking place in another region/ country?
 - Will the activity benefit the programming area **in full or only in part**, with some benefits of the activity being delivered to other regions? If other regions will benefit, only a pro-rata share of eligible costs must be charged to the programming area (quantitative analysis needed).
 - Will undertaking the activity in another region still support the programme priority **specific objectives** or weaken the investment **intervention logic**?
9. The general rule is that all operations, and their component projects and activities, must be located within the programming area that funds it. Limited exceptions to this rule are possible, subject to fund-specific rules set out in points 13 to 15 below.
10. Where the fund-specific rules require the agreement of the PMC, the programme managing authority will provide members with sufficient information to be able to make an informed decision. This information will include the business case for supporting the out-of-area activity, including a qualitative analysis of how the benefits will be attributable to the programming area. Where relevant, a quantitative analysis will also be presented if benefits will also accrue to other regions and a pro-rata methodology is being proposed.
11. The PMC may be asked to agree out-of-area activity for either:
- A specific operation, or certain parts of that operation; or
 - Types of operations, or certain parts of such operations.
12. In addition to PMC agreement, the programme authorities must also consider practical issues such as arrangements for audit and verifications.

Fund-specific rules

13. ERDF

- All out-of-area activity must be **agreed by the PMC**.
- WEFO must ensure that the ERDF allocated to such activities does not exceed 15% at the level of each programme priority (priority axis).

14. EAFRD (RDP)

- All out-of-area activity must be **agreed by the PMC**.
- WG Agriculture, Food & Marine must ensure that the EAFRD allocated to such activities does not exceed 5% at the level of programme.
- PMC members should note that it is envisaged that no RDP activity will need to take place outside of Wales (the programming area) and so it is highly unlikely that this regulatory provision will be used in practice.

15. ESF

- An activity can be located in any region within the EU, without agreement of the PMC, if it benefits individuals from the programming area. There is no ceiling on how much out-of-area can be supported by each Programme. The WEFO eligibility rules explains how individuals ('participants') are deemed to be from a programming area depending on where they live, work or study and the nature of the ESF support.
- Activities could also be located outside of the EU but this must be **agreed by the PMC**. This arises where costs are generated outside of the EU. Travel and subsistence costs for trips outside the EU are therefore not affected by this rule if the items are booked through an EU-based firm. WEFO must ensure that such activity does not exceed 3% of the ESF programme value (EU contribution and national match-funding).

16. Frequently Asked Questions:

Q1. What if the out-of-area activity has some inconsequential/ immaterial benefits to the region where the activity is carried out?

Where such 'spill-over' effects are not anticipated to account for more than 5% of the expected benefits, they can be disregarded and the full costs can be considered eligible.

Q2. At what point does the PMC need to provide its agreement?

Before the programme managing authority (WEFO or WG Agriculture, Food & Marine) takes a decision to support the out-of-area part of the operation. Until the PMC provides its agreement, the applicant/ beneficiary cannot receive any assurance that the out-of-area activity will be eligible for EU support.

Q3. Does the PMC need to audit or validate the business case presented by the programme managing authority?

No, the PMC's role is to examine and scrutinise the case presented by the programme managing authority – including making requests for clarification or additional information if needed – but does not need to independently validate information presented by the programme authorities. European and national auditors may decide to audit the programme authorities to ensure that the PMC was provided with complete, timely and accurate information.

Q4. How does this approach compare to 2007-2013 rules?

The main change is that the 2007-2013 approach did not require PMC agreement, which meant that auditors made case-by-case judgements on whether any out-of-area activity was justified. The 2014-2020 approach means that auditors will not second-guess the business case for out-of-area activity provided that the PMC was satisfied that the anticipated benefits would flow to the programming area.

Q5. Does the ESF fund-specific rules mean that ESF activities can take place anywhere within the EU?

Activity outside of Wales requires WEFO approval in advance so that other relevant factors can be considered such as value for money and the ability to carry out audits and verifications.

Author: Dean Langley, Regulations & Compliance Branch, WEFO

Approved by: Rob Halford

Date: 15 May 2015

Regulatory/ EC references: Regulation EU 1303/2013 article 70; Regulation EU 1304/2013 article 13(2); and draft Commission guidance note EGESIF 15-0009-00.

WALES PROGRAMME MONITORING COMMITTEE, EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014 – 2020:**Monitoring and Evaluation Strategy – Update on Progress****Issue**

1. The purpose of this paper is to update Members on progress with implementing the Monitoring and Evaluation Strategy.

Recommendation

2. Members are asked to note and comment on the progress made.

Background

3. Article 110(1) of the Common Provisions Regulations states that the PMC shall examine progress made in implementation of the evaluation plan² and the follow-up given to findings of evaluations. The PMC approved the Monitoring and Evaluation Strategy at the meeting in September 2015. An update on progress since then is given below. The Strategy Team (previously known as the Research, Monitoring and Evaluation (RME) Team) leads on monitoring and evaluation of the ESI funds.

Monitoring and Evaluation Advisory Group

4. In the Monitoring and Evaluation Strategy, the Strategy Team made a commitment to set up a Monitoring and Evaluation Advisory Group (MEAG) to support the work of the team. The MEAG was set up in August 2016 with representatives from the Welsh Government, Local Authorities, HEFCW, WCVA and the private sector. In September 2016 the first meeting of the MEAG took place where members agreed the terms of reference for the Group. The MEAG discussed progress with the 2007-2013 Ex Post Evaluations (for the Structural Funds and the RDP), the 2014-2020 ESF Participants Survey, the ERDF Infrastructure Evaluation and evaluation guidance for RDP Local Action Groups. The next MEAG meeting will be held in early 2017.

Evaluation Event

5. On 20 October 2016, an evaluation event was held on the afternoon of the WEFO Annual Information Event. The purpose of the event was to communicate findings from evaluations of the ESI funds to help inform future delivery. The event involved presentations from the contractors for the Ex

² In Wales, the evaluation plan is referred to as the Monitoring and Evaluation Strategy

Post Evaluations³ on draft findings and separate discussion sessions on business support, support for individuals, and RDP Axes 3 and 4. These sessions involved presentations on evaluation findings in these areas, with a particular focus on how evaluation findings have led to changes in policy / programmes.

Evaluation of the 2007-2013 Programmes

6. It is inevitable that evaluation of the programmes will 'lag' programme delivery, given that activity needs to take place before it can be evaluated usefully. For this reason, over the last year, the Strategy Team has been busy with the final suite of evaluations of the 2007-2013 Programmes.
7. This work has involved the Strategy Team **advising on final project level evaluations**, the majority of which have now been published or are available on request.
8. The Strategy Team has also been finalising the two main survey based evaluations on the ESF and ERDF Programmes, the **Combined Analysis of the 2009-2013 ESF Leavers Surveys** and the **Evaluation of ERDF Support for Businesses**.
9. As noted above, the draft findings of the **Ex Post Evaluations for the 2007-2013 Structural Funds and RDP** were presented at the evaluation event on 20 October 2016. The Strategy Team is currently working with the contractors to finalise the reports for these evaluations. A presentation on the findings of the RDP Ex Post Evaluation will be given at the meeting.
10. The Strategy Team has started to develop a specification for an **evaluation of infrastructure investment** made under the 2000-2006 and 2007-2013 ERDF Programmes. Whilst evaluations were undertaken on many of the 2007-2013 infrastructure projects, some of the potential effects of these projects (i.e. relating to how the infrastructure is used) may not become apparent until a later date so a longer-term evaluation is necessary to assess whether the intended effects have been achieved.
11. The Strategy Team is also currently working with the contractors (SQW) to finalise the **Processing and Marketing Grant (PMG) Scheme Evaluation**. The PMG scheme provides grants to SMEs in the farming and forestry sectors, along with food and drink producers. The aim of the scheme is for these businesses to add value to their products, or develop markets for produce, and create employment. The evaluation assesses the implementation, on-going delivery, added value, strategic fit and outcomes of the PMG Scheme in Wales. The evaluation also sought to establish if the current delivery of the scheme is the most efficient way to streamline the processing and marketing of primary sector goods in Wales. An advanced

³ The Structural Funds Ex Post Evaluation is being undertaken by Old Bell 3 and the RDP Ex Post Evaluation is being undertaken by AgraCEAS and ADAS.

draft report has been received from the contractors and the report will be published during Winter 2016.]

Evaluation of the 2014-2020 Programmes

12. A key feature of the Monitoring and Evaluation Strategy in relation to the ESF Programmes was the commitment to undertake regular follow-up surveys of participants from ESF operations. In June 2016, the Strategy Team awarded the contract for the **2014-2020 ESF Participants Survey** to a project team led by IFF Research.
13. The survey will be used to collect data for the longer-term result indicators that WEFO has to report to the European Commission. The data collected by the survey will also be shared with individual operations for them to use in their evaluations. This will reduce the number of surveys participants will be subjected to, allow for better comparison between operations, and reduce evaluation costs (in particular for individual operations). Although the survey is predominantly telephone-based (which represents the best value for money overall), a number of interviews will be conducted face-to-face as this approach is more effective for collecting data from 'hard to reach' people, a group that was under-represented in the 2007-2013 surveys. The survey will be conducted primarily with people who left their ESF operation 12 months previously. However, we will also include a sample of participants who have remained on their ESF operation for at least 12 months to help us understand how this type of long-term support is assisting participants. Follow up interviews will be collected with a sub-sample of people who left their operation 24 months previously to gain insight into any longer-term effects of ESF operations. The Strategy Team is currently working with IFF Research to finalise the questionnaire. As part of this work, the Strategy Team is engaging with operation staff over 'operation-specific' questions to be included in the questionnaire. The survey will be going out into the field before the end of the year.
14. In respect of the RDP, the Strategy Team has commissioned an **Agri-insurance Feasibility Study** to explore whether there is evidence of market failure in the provision of agri-insurance to farmers for catastrophic events. If there is evidence of market failure, the research will explore whether it is appropriate for the Welsh Government to develop an agri-insurance offer, and if it is, to develop a suite of options. The inception meeting for this study took place in September. The Strategy Team and relevant policy leads are reviewing the contractors' work plan, set out in their Inception Report.
15. The proposed **Ex Ante Assessment for Financial Instruments in the RDP** will now no longer be carried out as there are currently no plans to deliver Financial Instruments under the WGRC-RDP 2014-2020.
16. The Strategy Team is preparing to undertake a **Refugees Support Scoping Study**. This research project will explore the skills held by refugees and the skills that they would like to develop in Wales. The study will explore what support refugees would need to develop and practice their skills in the Welsh

context, including enterprise support and training needs. The research will explore the available opportunities, including those in agriculture and more broadly, where the Welsh Government could offer support outside of the WGRC-RDP 2014-2020. Best practice will be reviewed as part of this research, as well as the available mechanisms to provide support to refugees. This study will provide a series of practical recommendations on the delivery of support to migrants. The study specification is currently in development. The Strategy Team will consult with the relevant external stakeholders before procuring to ensure that this research addresses their evidence needs.

17. The 2007-2013 ERDF and ESF final project evaluations made a number of key recommendations which have been taken forward for **operation level evaluations in the 2014-2020 Programmes**. One of these was that external evaluators were often appointed too late in the project for their recommendations to be acted upon effectively. For 2014-2020 operations, development of a detailed monitoring and evaluation plan and the appointment of external evaluators are conditions of funding. The Strategy Team is working with beneficiaries, at the business planning stage, to ensure that the requirements for evaluation are understood. Once operations are approved, the Strategy Team works with beneficiaries to develop monitoring and evaluation plans and specifications for the appointment of external evaluators early in delivery. Additional support, for instance on Evaluation Steering Groups, can be made available where resources allow. Guidance from HM Treasury and Government Social Research (GSR) is being used to drive an improvement in quality.

Next Steps

18. A further progress report will be provided at the next meeting.

WEFO Lead: Kathryn Helliwell

Approved by: Rob Halford

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

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

Issue

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

Recommendation

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

Background

3. Europe 2020 is the EU Platform against Poverty which supports the Commission's focus on tackling poverty and social exclusion and will deliver to the EU2020 target of 20 million fewer people in poverty. Tackling poverty is a key priority for the Welsh Government and the Tackling Poverty Action Plan (TPAP) sets out the targets and milestone being taken forward by Welsh Government to reduce poverty in Wales.
4. The approach taken in Wales to deliver activity which supports the EU Commission's agenda for tackling poverty is through a dedicated ESF Priority delivering activity, complimented by the introduction of a 'Wales specific' Cross Cutting Theme (CCT) to encourage wider activity across the ESI programmes.
5. In Wales poverty is defined as 'A long-term state of not having sufficient resources to afford food, reasonable living conditions or amenities or to participate in activities (such as access to attractive neighbourhoods and open spaces) that are taken for granted by others in society'. Social Exclusion or the ability to participate is strongly linked therefore to issues of Poverty.
6. Almost anyone can experience poverty at any stage of their lives, but some groups face higher risks than others because they face greater barriers to increasing their income, or have higher costs, or both. The Equality Impact Assessment (EIA) which accompanies the ESI programmes, provides a robust assessment of the needs of those who may be at risk of exclusion, disadvantage or discrimination as a result of one or more characteristics protected under the Equality Act (2010) and their specific needs in terms of supporting access to employment and skills. These 'protected characteristics'

include age (covering all age groups), disability, gender reassignment, marriage and civil partnership pregnancy and maternity, race and ethnicity, religion or belief, sex / gender and sexual orientation.

7. The EIA highlights that groups with characteristics protected under the Equality Act 2010 can face specific issues that impact upon their ability to access and progress within the labour market, and which place them at greater risk of poverty and exclusion.
8. The ESI Funds are aimed at addressing the causes of poverty rather than dealing with the consequences. Putting in place interventions that focus actions on reducing poverty by increasing employment levels, particularly for underrepresented groups and those furthest from the labour market; to increase the skill level of the workforce and reduce the number of people with no skills or basic skills only and increase higher level skills in research and innovation; to increase youth employment and educational attainment, and to reduce inequalities in the labour market amongst women and recognised equality groups.

Tackling Poverty through the ESF Programmes

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

Tackling Poverty through the ERDF Programmes

12. The focus of the Welsh ERDF Programmes is to promote economic growth and the creation of sustainable jobs across the programme area. Many of the jobs created will be of relevance to new entrants and returners to the labour market creating the opportunities for ESF activities targeting specific groups to complement ERDF investments. The programmes will focus on the creation of jobs and growth providing employment opportunities for those who are out of work; Tackling barriers to employment by addressing transport barriers to accessing employment; Support for key knowledge-based sectors aligned with skills development interventions enabling those experiencing in-work poverty to access more highly-skilled, better paid jobs through the ESF Programmes; Regeneration activity, creating jobs and improving connectivity in specific geographic areas where deficiencies are often cited as being a barrier to accessing employment and action to address the energy efficiency of housing will be targeted specifically at those suffering from fuel poverty.

Tackling Poverty and Social Exclusion Cross Cutting Theme

13. The commitment to promote social inclusion and combat poverty reflected through the inclusion of an additional CCT is concentrated around the following key objectives:

- the creation of jobs and growth providing employment opportunities for those who are out of work;
- tackling barriers to employment such as poor skills, lack of childcare or limited transport options, helping more people to access employment opportunities;
- a focus on growth aligned with skills development interventions, enabling those experiencing in-work poverty to access more highly-skilled, better paid jobs.

14. As with the Sustainable Development and Equal Opportunities and Gender Mainstreaming CCT, specific activities within the implementation of the CCT aim to ensure that poverty, and the needs of those most at risk of poverty and discrimination will be central to all operations. Actions include:

- targets set at the level of activities to be supported by the programme, providing an important driver to addressing the programme's CCT;
- CCT assessment at all stages of the development of operations;
- on-going specialist advice to support operations through development and implementation providing specialist input at an early stage in the process to maximise take-up of the opportunities to promote the CCT;
- a programme of awareness raising and training will be provided to WEFO staff and beneficiaries on how to integrate the CCT;
- preparing activity level guidance together with best practice case study examples that will provide specific information on how beneficiaries can address the CCT within their operation plans;
- regular monitoring of progress, allowing for early intervention if necessary; and
- update reports to PMC and other stakeholders;

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

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

The Cross Cutting Theme Project Level Indicators

16. In addition to the formal indicators and targets, additional project level CCT indicators have been identified (agreed at the June 2015 PMC) which enable WEFO to capture a broader range of activity. These sit alongside the formal CCT indicators and are extracted from the narrative of the Business Plans submitted by ESI Funded operations. This approach, while adding no additional work for the operation when completing their applications, does provide for good practice to be identified and reported. The information contained in **Annex 2**, gives an indication of the kind of activity which is being delivered and which supports the Tackling Poverty CCT. Also included is the activity supporting the Equal Opportunities and Gender Mainstreaming CCT because of the obvious synergies between the two and general CCT activity.

Next Steps

17. The Welsh Government has developed clear policies across the range of its statutory responsibilities, including Tackling Poverty, Sustainable Development, Equality and Diversity and the Welsh Language. Set within this evolving policy context, the picture of integrating the CCTs into successive programmes has been one of steady progression and improvement. The agenda has been steadily pushed forward through increased awareness, positive developments in legislation and policy, changes in attitudes, hard learned lessons and a clear focus on the importance of the CCTs from the European Commission.

Drafted by: Chriss O'Connell WEFO

Approved by: Rob Halford WEFO

Date: 16/11/2016

Annex 1 Tackling Poverty and Social Exclusion Indicators

ERDF

Priority / Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date ¹	Target	Project Forecast	Achieved to date ¹
SO2.2	Number of new enterprises supported	5,150	6,000	937	2,200	4,000	438
SO3.2 (SO3.1 East Wales)	Community energy schemes	37	-	-	3	-	-
SO3.3 (SO3.2 East Wales)	Number of households with improved energy consumption classification	5,500	-	-	4,200	-	-
SO4.2 (SO4.1 East Wales)	Public transport services created or improved	2,500,000	-	-	420,000	-	-
	Intermodal facilities created or improved	25	6	-	5	-	-
SO4.3 (SO4.2 East Wales)	Additional premises with broadband access of at least 30 Mbps - Households	28,000	69,524	-	28,000	46,801	-

Source: WEFO, 31/10/2016

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

ESF

Priority 1: Tackling Poverty through Sustainable Employment

Priority / Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	Achieved to date
SO1.1	Short term unemployed with no / low skills or a work limiting health condition or disability	5,999	-	-	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%	0%	0%	n/a	n/a	n/a
	Short term unemployed participants with low skills or a work limiting health condition or disability gaining a qualification upon leaving	50%	0%	0%	n/a	n/a	n/a
SO1.2 (SO1.1 East Wales)	Economically inactive (aged 25 and over) not in education or training who have complex barriers to employment	36,000	40,006	1,513	12,700	12,752	154
	Long-term unemployed (aged 25 and over) who have complex barriers to employment	10,800	15,142	499	3,800	4,966	206
	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%	29%	8%	50%	25%	4%
	Long-term unemployed (aged 25 and over) who have complex barriers to employment gaining a qualification or work relevant certification upon leaving	50%	28%	10%	50%	20%	1%
SO1.3	Participants Employed including self-employed with work-limiting health condition or disability	4,000	4,232	6	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%	0%	n/a	n/a	n/a

Source: WEFO, 31/10/2016

Priority 2: Skills for Growth

Priority / Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	Achieved to date
SO2.1	Employed including self-employed participants with no formal qualifications - Male	14,029	3,458	137	7,799	1,651	-
	Employed including self-employed participants with no formal qualifications - Female	12,771	3,423	85	7,101	1,843	-
	Employed including self employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - Male	72%	75%	40%	72%	76%	0%
	Employed including self employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - Female	72%	76%	45%	72%	76%	0%
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Male	23,870	12,911	4,599	13,296	8,530	2,088
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Female	21,730	15,034	4,349	12,104	10,237	2,146
	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%	1%	72%	81%	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 - Female	72%	80%	3%	72%	81%	0%	
SO2.2	Employed including self-employed participants with lower secondary education (CQFW 2) - Male	16,070	11,298	2,983	6,438	8,272	1,613
	Employed including self-employed participants with lower secondary education (CQFW 2) - Female	14,630	13,100	2,866	5,862	9,705	1,497
	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%	1%	60%	80%	0%
	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%	1%	60%	80%	0%

Source: WEFO, 31/10/2016

Priority 3: Youth Employment and Attainment

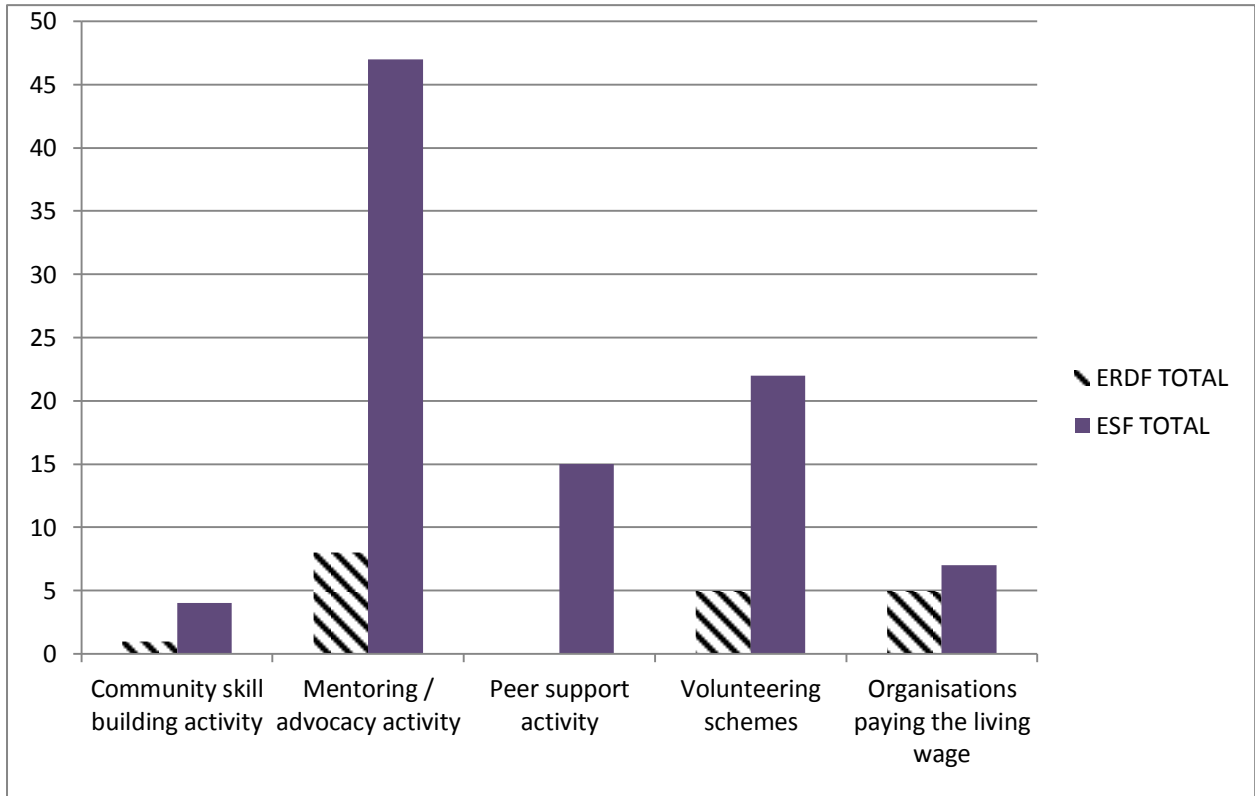
Priority / Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	Achieved to date
SO3.1	NEET Participants (16 - 24 years of age)	42,700	30,684	6,434	21,200	18,272	2,790
	NEET Participants (16 - 24 years of age) gaining qualifications upon leaving - with primary or lower secondary education	20%	36%	0%	20%	40%	0%
	NEET Participants (16 - 24 years of age) in education/training upon leaving	17%	16%	25%	17%	16%	27%
	NEET Participants (16 - 24 years of age) entering employment upon leaving	28%	29%	11%	28%	29%	13%
SO3.2	Participants at Risk of becoming NEET (11-24)	49,700	16,064	265	13,000	6,236	99
	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%	0%	27%	17%	0%
	Participants at risk of becoming NEET(11-24) into education/training upon leaving	19%	8%	0%	18%	12%	4%
SO3.3	Young People 11 -19 years of age - Male	8,400	2,160	489	n/a	n/a	n/a
	Young People 11 -19 years of age - Female	15,000	2,830	759	n/a	n/a	n/a
	11-19 years of age participants who continue to study a Maths Science Engineering and Technology subject post 16 - Male	45%	16%	0%	n/a	n/a	n/a
	11-19 years of age participants who continue to study a Maths Science Engineering and Technology subject post 16 - Female	45%	4%	0%	n/a	n/a	n/a
SO3.4	Employed including self-employed Participants from early years and childcare sector - male	300	73	-	n/a	n/a	n/a
	Employed including self-employed Participants from early years and childcare sector - female	2,700	1,370	-	n/a	n/a	n/a
	Employed including self employed Participants from early years and childcare sector gaining qualifications upon leaving - Male	77%	77%	0%	n/a	n/a	n/a
	Employed including self employed Participants from early years and childcare sector gaining qualifications upon leaving - Female	77%	76%	0%	n/a	n/a	n/a

Source: WEFO, 31/10/2016

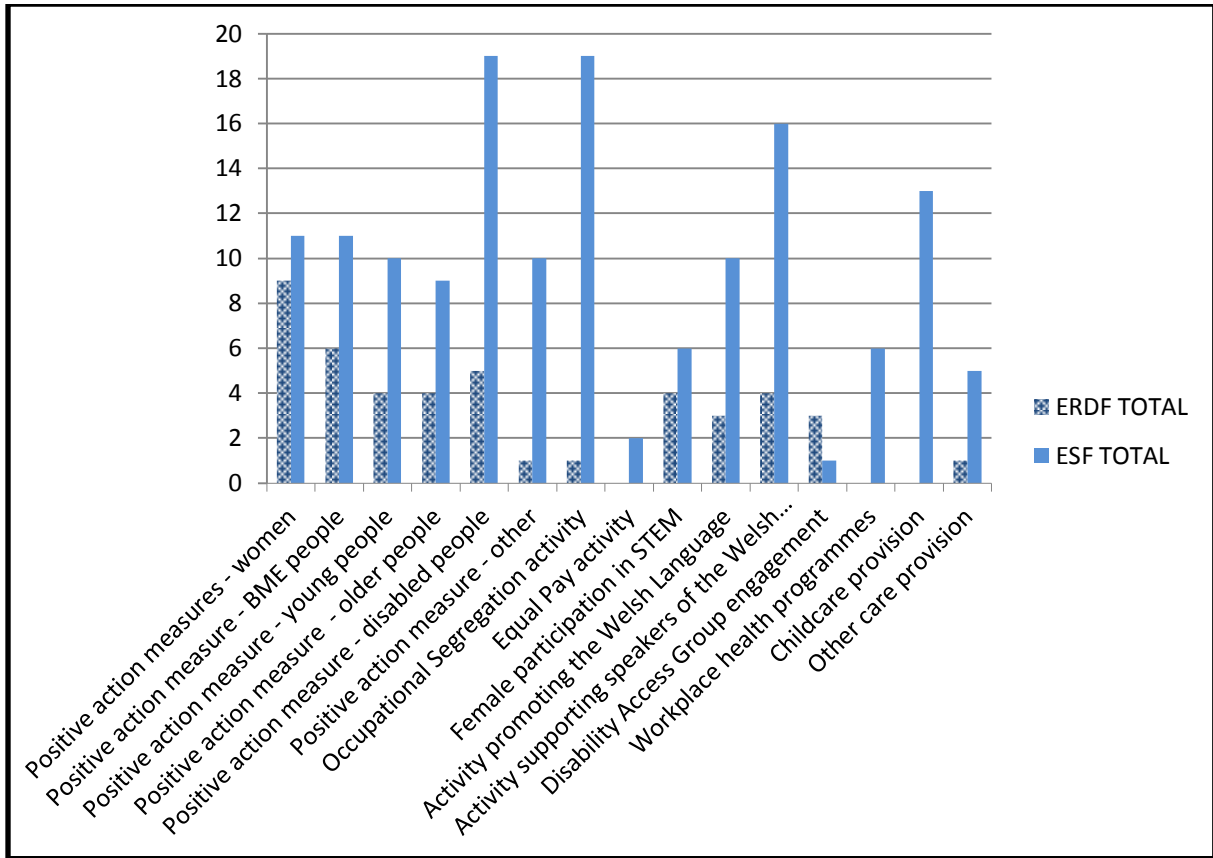
Annex 2

The following charts show the commitment operations have made to deliver activity which contributes to the cross cutting theme objectives. .

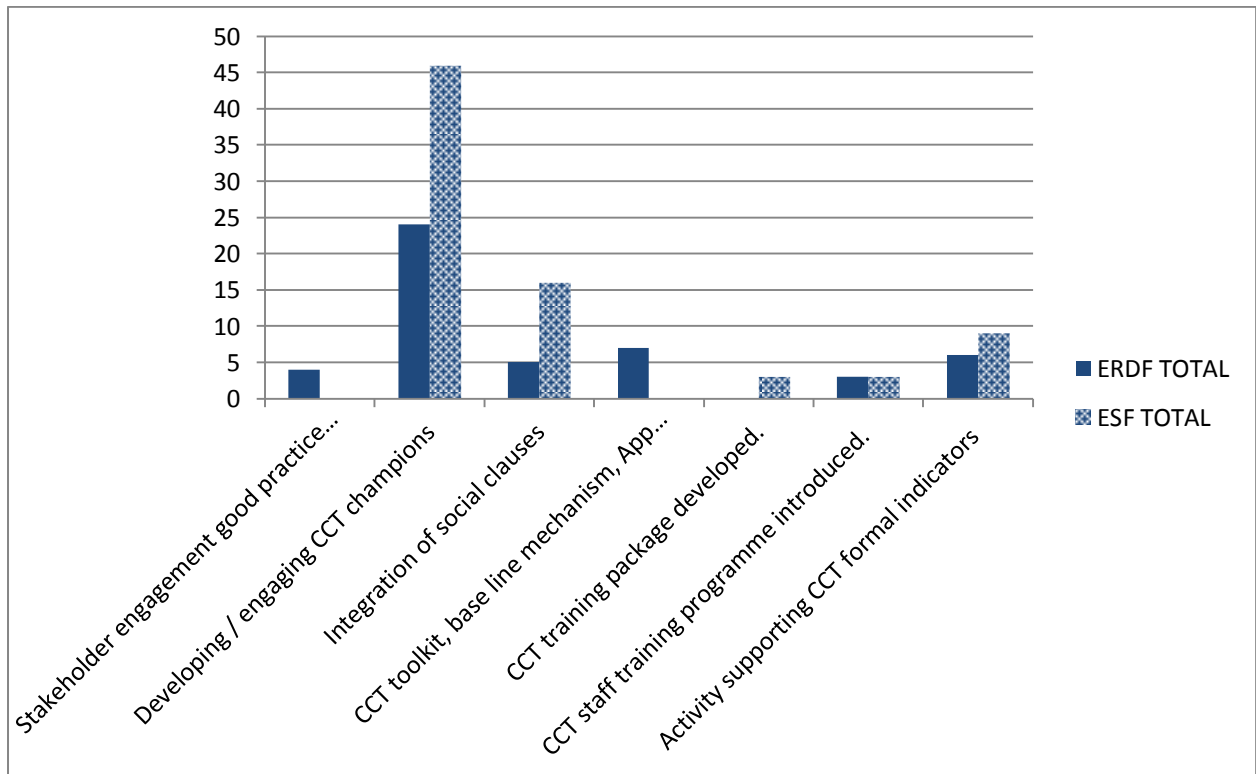
Tackling Poverty and Social Exclusion



Equal Opportunities and Gender Mainstreaming



Cross Cutting Themes General



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

PAPER FOR DECISION

EU Structural Funds - Distribution of additional UK allocation

Issue

5. The West Wales and the Valleys programmes have been allocated an additional €4,814,104 following the European Commission's mid-term adjustment of national allocations for Cohesion policy.

Recommendation

6. The PMC is invited to agree the allocation of this additional funding together with the associated revisions to the ERDF and ESF West Wales and the Valleys programmes. As the proposed modifications are similar for the two programmes, they have been presented in one paper; however members should consider and agree on the proposed changes to the two programmes separately.

Background

7. As part of the mid-term adjustment the European Commission has recalculated Structural Fund allocations on the basis of the most recent statistical data, as provided for in the Multiannual Financial Framework for 2014-2020 and set out in Article 92(3) of the Common Provisions Regulation.
8. As a result, the UK has been allocated an additional €58,005,958 for the period 2017-2020. This includes €6,323,391 for less developed regions (such as West Wales & the Valleys) and €51,682,567 for transition regions. Wales will only benefit under the less developed category, as there are no transition regions and the more developed regions (such as East Wales) will not be receiving any additional allocation.
9. The additional allocation is split between West Wales & the Valleys and Cornwall, the only other 'less developed region' in the UK, on the same basis as for the original allocations. Accordingly, West Wales & the Valleys will receive €4,814,104 (76%) and Cornwall €1,509,287 (24%) of the additional allocation.
10. In allocating these additional funds WEFO has to respect the EC's various thematic concentration requirements. One of which is the requirement to allocate as much ESF in 2014-2020 as in 2007-2013 (a minimum total of 45.9% of all Structural Funds allocated to ESF across the UK). WEFO has agreed with UK Government to respect this, which will result in an additional €2,214,488 for ESF and €2,599,616 for ERDF.
11. Based on current and potential commitment levels it is proposed that these additional amounts will be directed towards the following priorities within the ERDF & ESF West Wales & the Valleys programmes:

- **ERDF Priority 1 Research & Innovation** (*Thematic Objective 1 - Strengthening research, technological development and innovation*)
- **ESF Priority 2 Skills** (*Thematic Objective 1 - Investing in education, training and vocational training for skills and lifelong learning*)

12. These modifications will also require changes to the UK Partnership Agreement.

Other Proposed modifications to the 2014-2020 Programmes

13. As we reach the end of the third year of the 2014-2020 Structural Funds programmes, WEFO is undertaking a review of delivery to date and expected pipelines to identify the need for potential modifications to the Welsh Operational Programmes. This involves a review of indicators across the programmes together with options for reallocating funding to other parts of the programme where demand is higher.
14. The results of this review, potentially leading to more substantial modifications to the programmes, will be finalised early next year, and will then be presented to the PMC for agreement.

PMC Role in Monitoring Progress

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

Next Steps

16. Subject to agreement by the PMC, the financial tables of the respective Operational Programmes will be updated accordingly and forwarded to the European Commission. This will permit the UK Government to make necessary amendments to the UK Partnership Agreement, and submit proposals for the allocation of these additional funds at the earliest opportunity.

WEFO Lead: Jon Jones
Approved by: Rob Halford
Date: 28 November 2016