

## WALES PROGRAMME MONITORING COMMITTEE

## EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020

**Date:** 24 February 2016**Time:** 9.30am**Venue:** Welsh Government Offices, Merthyr Tydfil**AGENDA**

- |    |   |               |             |
|----|---|---------------|-------------|
| 1. | Welcome and apologies   | 09:30 - 09:35 |             |
| 2. | EU Transition/ Communications – Cabinet Secretary for Finance & Local Government, Mark Drakeford AM | 09:35 – 10:35 |             |
| 3. | Minutes of December meeting, actions and other matters arising                                      | 10:35 - 10:45 | WPMC(16)M13 |

**\*\*Break 10:45am – 11:00am\*\***

- |    |   |               |  |
|----|---|---------------|--|
| 4. | Update on ESI Funds Progress, including portfolio development | 11:00 – 11:15 |  |
|    | <u>To include:</u>  |               |  |
|    | (a) ERDF Programmes   | 11:15 – 11:30 |  |
|    | (b) ESF Programmes  | 11:30 – 11:45 |  |
|    | (c) Welsh Government Rural Development Programmes             | 11:45 – 12:00 |  |
| 5. | Presentation: South East Region                               | 12:00 – 12:20 |  |
| 6. | Cross Cutting Themes: Sustainable Development Annual Report   | 12:20 – 12:40 |  |
| 7. | AOB   | 12:40 – 12:45 |  |

**\*\*Lunch 12:45 – 13:15\*\***

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

**Friday 2 December 2016  
Welsh Government, Merthyr Tydfil**

### **Meeting Notes**

#### **ITEM 1: Welcome and apologies**

1. The Chair introduced herself and welcomed members to the meeting of the Wales Programme Monitoring Committee (PMC). A particular welcome was extended to Michel Wolf, Deputy Head of Unit, DG REGIO and Iestyn Davies who joins the PMC as the representative for Colleges Wales.
2. Attendees and apologies are listed at **Annex A**.

#### **ITEM 2: Minutes of September meeting, actions and other matters arising**

3. The minutes of the 9 September meeting were agreed as a true and accurate record. Progress on action points arising from the previous meeting is listed at **Annex B**.
4. One member wished it to be noted that, following the Swansea City Region presentation at the PMC in September, the proposals were now being progressed on a broader basis with less of a dominant focus on ICT.

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

##### Overview of Progress

5. Damien O'Brien, Chief Executive, WEFO, advised members that the Welsh Government had received welcome news of a further extension of the HM Treasury guarantee. Funding for all structural and investment projects agreed before the UK leaves the EU would now fall within the scope of the guarantee.
6. An overview of programme progress since the September PMC was also highlighted:
  - 61% of Structural Funds have been committed. A press notice was issued, 2 December, to highlight the achievement and this was made available to members.
  - 23 Structural Funds operations had been approved since September meeting (136 approved in total)
  - 55 operations were in business planning stage
  - 65% of Rural Development Programme (RDP) was now committed
  - 16 RDP schemes had been launched
7. Noteworthy events since the September PMC were outlined:

- WEFO had held a successful Annual Information Event at the SWALEC Stadium in Cardiff on 20 October 2016, attended by 160 delegates.
- WEFO met with colleagues from the European Commission on 1 December 2016 for its Annual Review Meeting.
- The Wales Rural Network steering group met on the 10 June 2016. Due to the result of the referendum, the planned October meeting was postponed.
- The Wales Rural Network (WRN) held a LEADER Workshop to strengthen the knowledge capacity of LAGs by providing support and guidance on LEADER and cooperation. They also represented Wales in the Ireland North / South Cooperation Conference, shared and discussed future cooperation ideas.

8. Key priorities for the period ahead include:

- Maximising commitment and delivery levels across all programmes and continuing with 'business as usual'.
- Completing final closure of 2007-2013 programmes. Continuing with work on the WRN Action Plan which will be discussed at the next Rural Network Steering Group Meeting, February 2017.
- Continuing to review options for further modifications to the Welsh Operational Programmes.

9. Members welcomed the progress and commitment levels to date and asked if the recent HM Treasury guarantee has any conditions attached which could pose a risk to operations. Damien O'Brien advised that all operations covered by the guarantee must be aligned with strategic priorities and demonstrate value of money. All operations approved in Wales were already assessed on this basis during the appraisal stage. There is a risk of losing any money that is not committed within the scope of the guarantee before the UK leaves the EU, therefore the current momentum in committing funds needs to be maintained. The key message to beneficiaries is an emphasis on delivery and spending any commitments within agreed timescales as extensions to delivery timetables will not generally be available in this programme period.

Welsh Government Rural Communities - Rural Development Programme 2014-2020

10. Terri Thomas, Head of Rural Development Division, reported that the Rural Development Programme (RDP) continues to make significant progress and highlighted the following:

- The RDP is also covered under the Treasury guarantee and as previously mentioned the emphasis on delivery has been communicated to beneficiaries in order to maximise drawdown of funds. The role of the WNR steering group is to steer communications on the RDP and will input on interventions going forward.
- Once budget settlements have been clarified the Cabinet Secretary for Environment & Rural Affairs will be announcing future EOI windows for early 2017.
- In addition, once revised indicative allocations have been agreed by the Cabinet Secretary these will be circulated to members for information.

11. European Commission advisors welcomed the update and the reporting based on focus areas and measures. It was noted that in future reports, figures for commitments and expenditure/ realisation should be provided in line with Annual implementation reporting.

12. In response to questions from members, Terri also advised:

- The potential to run further Glastir rounds and extend contracts is currently being explored. If additional rounds are agreed then contract managers/ Glastir advisory service will be continued.
- As a result of the new budget for Welsh Government, RDP will continue to prioritise where it can and spend money in the most effective areas. The recent programme modification has changed the balance of EU/ domestic drawdown which helps manage budgets. The RDP planning rate has also been revised as part of this modification.

**ACTION: An indicative list of financial allocations for proposed measures to be circulated to the PMC once finalised by the Cabinet Secretary for Environment and Rural Affairs.**

#### ERDF Programmes

13. Geraint Green, Head of Research and Innovation Branch, WEFO, advised that the ERDF programmes continue to make good progress with over 50% commitment across both programmes. As noted at the previous PMC delivery is the key requirement for operations and this message has been communicated to beneficiaries.

14. Geraint updated members on activity within each priority highlighting the following:

- The Research and Innovation portfolio continues to develop well and has achieved a high level of commitment. To further build on progress in this priority 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 and will close on 31 January 2017. Around £40 million of ERDF is being made available for this call and there has already been a strong interest from a range of sectors.
- SME Competitiveness is now well established with an integrated portfolio. The Wales Business Fund is developing well with £3m already invested.
- Renewable Energy and Energy Efficiency priority is an innovative area and while this priority is proving challenging some progress is being made, for example the ARBED III operation which has recently been approved. Small scale community renewable energy schemes still remain a challenge and a number of workshops have been held around Wales to raise awareness of EU funding for this area.

- Connectivity and Urban development is progressing well with a number of approvals for broadband operations. Welsh Government Transport Department continues to make steady progress in evaluating Metro Phase 2 options which will seek ERDF support and conversations with WEFO and Welsh Government are ongoing.

15. In response to questions from Members, WEFO advised that:

- Across the Structural Fund programmes there is no sign that interest in engaging with the funds has decreased. The call in Priority 1 is expected to be over subscribed and interest is very high in related programmes such as Horizon 2020.
- Any future reallocation of funds across priorities will take into account balance, adherence with EC targets, demand and will be to areas that are delivering to profile.
- At future meetings a list of approved operations will be provided to members.

**ACTION: A list of approved Structural Fund operations to be provided to PMC members at a future meeting.**

#### ESF Programmes

16. Jane McMillan. Head of ESF Programmes, WEFO, reported that the ESF programmes continue to make good progress resulting in 79% funds committed in the West Wales and the Valleys programmes and 60% committed in East Wales, equating to an overall commitment level of 76% across both programmes.

17. There is now a broad portfolio of ESF operations ranging from Pan-Wales backbone operations supported by smaller operations and some tailored niche activity which complement and gap fill around the priority backbone operations. 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. A number of backbone operations have been extended, such as Apprenticeships and Traineeships and there are some new operations still under development. Further work is required to identify possible interventions under the East Wales Tackling Poverty Priority and WEFO is working with Regional Engagement Teams to address this.

18. Members complimented WEFO on the commitment levels achieved in the ESF programmes and asked if any innovative interventions are being taken forward to engage with economically inactive/ hardest to reach participants. WEFO advised that there are some innovative actions within larger operations, for example the REACT operation is able to provide support for short term unemployment participants. The programmes have built upon successes of the previous programmes however there is still scope for smaller innovative activity to be undertaken.

19. One member asked if WEFO is able to monitor the amount of money that operations spend on administration rather than delivery. WEFO advised that

operations will have costs for staff and it is important that they have the capacity in place to run operations compliantly and effectively in line with EC requirements. During the appraisal stage, any costs are carefully scrutinised to ensure value for money and in many cases a large proportion of funding is spent via procurement. For some operations it can be difficult to accurately monitor exact amounts of administration costs due to its match funding arrangements or specific delivery model and different interventions require different resources, depending on the complexity. Any costs of Managing Authority and Regional Engagement Teams are capped at 2% so the budget is carefully managed.

20. Members also discussed the procurement delivery model and to what extent this provides value for money and better outcomes. WEFO noted that a lot of work has been done on delivery models and delivery through procurement, which is not done only because the EC require it but because it has proven to be the most beneficial model that demonstrates value for money and helps involve the private sector in the programmes.

#### **ITEM 4: Structural Funds Programme Modification**

21. Rob Halford, Head of Planning & Strategy, WEFO, informed members that as a result of the European Commissions mid-term adjustment of national allocations for Cohesion policy, the West Wales and the Valleys programmes have been allocated an additional €4,814,104. In allocating these additional funds WEFO has to respect the EC's various thematic concentration requirements. Taking this into account along with current and potential commitment levels, WEFO proposes that the additional resources will be directed towards the following areas of the ERDF & ESF West Wales & the Valleys programmes:

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

22. Members discussed the modification and **agreed** that the additional resources should be allocated to ERDF priority 1 and ESF priority 2 as proposed.

23. WEFO noted that the modifications will require amendments to UK Partnership Agreement. There is also the potential for further substantial programme modifications which will be presented to the PMC in early 2017. Members were advised that revised financial tables reflecting the agreed additional allocations will be circulated to the PMC following the meeting.

**ACTION: Revised financial tables reflecting the agreed additional allocations to be circulated to the PMC.**

#### **ITEM 5: Update on RDP Modification**

24. Terri Thomas provided an update on the RDP Modification which was discussed and agreed at the PMC in September 2016. The modification has now been

submitted to the EC. Further discussions with the EC are scheduled for the New Year and it is hoped that the modifications can be formally agreed by March 2017. The ability to use small grants, which is contained within the modification, can now be taken forward.

#### **ITEM 6: Changes to the RDP Selection Criteria**

25. Terri Thomas presented the paper and advised that the Welsh Government is proposing to alter the selection criteria in relation to small grants for the sustainable production grant scheme. The change will allow for small grants to be used on an automated basis, via a needs based approach for businesses and will aim to keep the process as simple as possible.
26. EC advisors informed that effort made to make progress in the form of the proposed revised correlation table/ selection criteria is well noted, however concern stays with regards to the use of the 9 ESI criteria for M16.1, and it needs to be clarified in line with the current RDP amendment. The removal of the selection criteria 'participation in a pre-application event' from M 16.8 was well noted. Moreover, it was requested that an updated version of Annex 2 (clarifying some minor inconsistencies), illustrating the overall selection criteria is provided to the PMC at the next meeting for information.
27. In response to questions from members Terri advised that there are small grants/ small community schemes in the LEADER programme although there are no such schemes in the Structural Fund programmes.
28. Members noted the change to the selection criteria as outlined in Annex 1 of the paper.

#### **ITEM 7: Agreement Required: ERDF Out-Of-Area Activities**

29. Geraint Green presented a paper on ERDF Out-Of-Area Activities and explained that agreement is being sought from the PMC for support for out of area activity for research capacity building operations supported by Priority 1, Specific Objective 1.1. in particular, research capacity building operations that involve pan-Wales infrastructure as well as supporting services resulting in some cross-border expenditure and benefits.
30. The key consideration is that the benefits from this type of operation will flow to the programme region that is supporting it. It is only relevant where infrastructure is located in one programming area and it is necessary for research activities or research support activities in another area to use it, which may result in out-of area spend or spill-over benefits.

31. Members discussed the paper and **agreed** to the out of area activities for research capacity building operations supported by Priority 1, Specific Objective 1.1.

#### **ITEM 8: Monitoring and Evaluation Strategy – Update on Progress**

32. Kathryn Helliwell, Senior research officer, WEFO, provided an update on the Monitoring and Evaluation Strategy and highlighted the following:

- The PMC had previously shown an interest in Wales' performance in relation to productivity compared to other regions in the UK. Technical Assistance has been used to fund a small study to investigate this and findings will be shared with members at a later meeting.
- An ex-ante assessment of Financial Instruments was conducted at the beginning of 2016 and findings will be shared with the PMC once the final report has been completed.
- A key priority for the Strategy team is currently the ex post evaluation of the 2007-2013 RDP that has to be completed and submitted to the Commission by 31 December 2016.

33. Members discussed the paper and asked whether the planned evaluation of infrastructure investments will address long term impacts and the impact on business. In addition, it was asked if the evaluation will consider any environmental impacts of the infrastructure investments. Kathryn advised that the specification for the evaluation is being developed and the purpose of the work is to achieve a longer-term evaluation to assess whether the intended effects have been actualized. Environmental impacts is an area that would be looked at and the draft specification for this evaluation can be shared with members at a future meeting. Kathryn also advised that initial findings from the Ex-ante evaluation on financial instruments will be considered in detail by WEFO and a suitable approach developed.

**ACTION: A draft of the specification for the evaluation of infrastructure investments made under the 2000-2006 and 2007-2013 ERDF Programmes to be shared with the PMC at a future meeting.**

#### **ITEM 9: RDP ex post evaluation**

34. Dylan Bradley and Berkeley Hill from AgraCEAS gave a presentation on the 2007-2013 RDP ex-post evaluation. The following points were raised:

- The evaluation assesses the achievements of the 2007-13 RDP and is looked at by each RDP Measure (known more widely as Schemes) and by each overarching Programme Axis.



- The evaluation is conducted with specific questions determined by the European Commission, common evaluation questions and programme specific questions. There are 128 questions that need to be answered.
- The role of ex post evaluators is to provide an independent view on achievements and also helps with the implementation of lessons learnt in on-going schemes.
- Ex post evaluation is a summative evaluation taking evidence that already exists.
- The inception report was completed on 1 June 2016, secondary evidence is now being collated and the final evaluation will be sent to the European Commission by the end of 2016.

## **ITEM 10: EU Transition**

35. The Chair requested that members break into 3 work groups. PMC Members discussed 3 questions on EU transition and Economic Regional Policy in Wales post 2020. The following key points were highlighted by members:

### **Q1: What are the most successful features of existing arrangements/ what should we keep?**

- Multi annual (7-10 year) funded programmes are central to being able to plan and implement investment portfolios.
- Current ESI programmes have worked to limit/ reduce the bureaucracy around applying for funding. This should be continued into any new programmes.
- Wales should continue to be able to retain/ 'ring fence' money for economic regional programmes, prioritise any funding and make spending decisions.
- A needs based/ evidence based approach to allocating funding should be continued along with a strong emphasis on the Cross Cutting Themes.
- The ESI programmes have always been focused on supporting people in an integrated way – need to develop/ build on this approach in any new policies.

### **Q2: What are the new opportunities/ what should be done differently?**

- Greater flexibility within regions. Regions could decide what the individual needs are in their areas, using an evidence based approach to identify need and develop strategies.
- Opportunity to think afresh: commissioning research into what has worked well in other regions/ countries and use this evidence to develop programmes/ projects in Wales.
- Potential to target areas that have historically been ineligible or constrained such as housing, interventions aimed at early years/ young children, where there is evidence to show that interventions in these areas can produce a significant impact.
- Ensure that any new approach provides advantages for all areas in Wales, both rural and urban.

- Potential to move away from GDP measures.
- Easier access to funding and achieve a greater a balance of private/ public sector access to funds.

**Q3: What are the best mechanisms for involving the full range of partners and communities in these discussions?**

- There is an enthusiasm for the involvement of partners in developing new economic regional policy in Wales
- Use existing structures already in place i.e. stakeholders groups/ beneficiaries etc.
- Engage with Community/ local groups/ public sector boards
- Streamline advice to Ministers.

**ITEM 8: AOB**

36. The Chair requested that members note the Cross Cutting Themes: Tackling Poverty and Annual Report and thanked Members for their contribution to the discussions at the meeting.

37. The next meeting will take place on 24 February 2017.

**PMC Secretariat  
December 2016**

**Wales PMC European Structural and Investment Funds 2014 -2020**  
**2 December 2016**  
**Welsh Government Office, Merthyr Tydfil**

**Chair – Julie Morgan (AM)**

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

Phil Fiander	Wales Council for Voluntary Action (WCVA)
Dr David Blaney	Higher Education Funding Council for Wales
Rebecca Williams	<i>Alternate for Karen Anthony</i> - Rural Economy (County, Land and Business Association)
Councillor Ronnie Hughes	Local Government (WLGA)
Rudi Plaut	Business and Enterprise (Commerce Cymru)
Iestyn Davies	Further Education (Colleges Wales)
Rhian Jardine	Environmental Sustainability (Natural Resources Wales)
Lowri Gwilym	Local Government (WLGA)
Charlotte Priddy	Farming Union Wales (FUW)
Arfon Williams	Environmental NGOs (Wales Environment Link /RSPB)
Tom Whyatt	Business and Enterprise (Industry Wales)
Peter Crews	Trade Union (Wales TUC)
Julie Cook	Wales TUC
Lowri Owain	LEADER
Duncan Hamer	Welsh Government (Economy, Skills and Natural Resources)
Scott Morgan	<i>Alternate for Cath Jenkins</i> – Welsh Government
Matthew Quinn	Welsh Government (Economy, Skills and Natural Resources)

***Members selected via the Public appointments process:***

Beth Winkley
Sian Price
Professor Richard B Davies
David (Dai) Davies

***Advisors:***

Guus Muijzers	European Commission, UK Desk Officer responsible for the 2014-2020 Programmes, DG Regio
Joanna Gawrylczyk-Malesa	European Commission, Desk Officer for ESF Programmes, DG Employ.
Michel Wolf	Deputy Head of Unit, DG REGIO

**Programme Managing Authorities:**

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

Damien O'Brien	Chief Executive, WEFO (ERDF, ESF)
Terri Thomas	Head of Rural Development Division
Rob Halford	Head of Planning and Strategy, WEFO
Peter Ryland	Deputy Director, Programme Performance & Finance (ERDF, ESF)
Geraint Green	Head of Research and Innovation Branch, WEFO - <i>Alternate for Sue Price</i>
Jane McMillan	Head of ESF Programmes
Kathryn Helliwell	Senior Research Officer, WEFO
Tiffany Edmunds	Secretariat
Rhiannon Clancy	Secretariat

**Guest Presenters:**

Dylan Bradley	AgraCEAS
Berkeley Hill	AgraCEAS

**APOLOGIES**

Dr Grahame Guilford	Public Appointee
Derek Walker	Wales Co-operative
Professor David Shepherd	Higher Education Wales
Joy Kent	Public Appointee
Cath Jenkins	Welsh Government (Economy, Skills and Natural Resources)
Andrew Slade	Director, Agriculture, Food & Marine
Sue Price	Head of ERDF Programmes, WEFO
Marek Beran	European Commission, DG AGRI
Jocelyn Llewellyn	Jobcentre Plus

<b>Meeting date</b>	<b>Action Requested</b>	<b>Latest Situation</b>
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.
02 December 2016	An indicative list of financial allocations for proposed measures to be circulated to the PMC once finalised by the Cabinet Secretary for Environment and Rural Affairs	In progress – once approved by the Cabinet Secretary for Environment and Rural Affairs, indicative commitments will be circulated to the PMC.
02 December 2016	A list of approved Structural Fund operations to be provided to PMC members at a future meeting.	A list of approved SF operations circulated to Members with PMC papers on 10 February 2017
02 December 2016	Revised financial tables reflecting the agreed additional allocations to be circulated to the PMC	Revised financial tables circulated to PMC members on 16 December 2016.
02 December 2016	A draft of the specification for the evaluation of infrastructure investments made under the 2000-2006 and 2007-2013 ERDF Programmes to be shared with the PMC at a future meeting.	The Strategy Team is currently developing the draft specification.

## **PMC Discussion: Future of Regional Policy in Wales**

### **Background**

The PMC held an initial discussion on the future of regional economic development policy in Wales at its meeting on 02 December 2016. This focussed on features of existing ESI programmes that work well and might be retained in the design of any successor programmes; and opportunities to do things differently.

Feedback on the PMC discussions was provided to the Cabinet Secretary for Finance and Local Government and this helped to inform the Welsh Government's EU White Paper, [Securing Wales' Future](#). The First Minister also [met with the Prime Minister](#) on 30 January and was given reassurances that there would be no rolling back of devolved competences as a result of Brexit. This was confirmed in the UK Government's [White Paper on Brexit](#) on 02 February, which committed that no decisions currently taken by the devolved administrations will be removed from them and to use the opportunity of bringing decision making back to the UK to ensure that more decisions are devolved. It also highlights the need to consider replacement for ESI funds outside of the EU.

### **Next Steps**

The Welsh Government is keen to work with its partners and stakeholders to put forward a positive vision of how regional policy should evolve in Wales in the future, backed by a full replacement of ESI funds by the UK Government.

Partnership is recognised as a key benefit of existing ESI programmes and will continue to be essential in designing a made-in-Wales approach; responding to new opportunities and challenges outside of the EU.

To continue this work the [European Advisory Group](#), set up to advise the Welsh Government, held an initial discussion on the future of regional policy in Wales at its meeting on 09 February. The paper discussed at that group is attached, which also reflects discussions held by the PMC last December.

### **Questions for discussion**

Members are invited to consider the content of the attached paper. A plenary discussion with the Cabinet Secretary for Finance and Local Government provides an opportunity to continue to influence Welsh Government thinking in this area, before the Welsh Government engages more widely later this year.

Comments are welcomed in all areas of importance to members and organisations they represent. The questions discussed by the EAG are given below to allow members to consider in advance of the PMC meeting.

### **Transition arrangements**

It is not yet clear what transition arrangements, if any, will be put in place to manage the UK's exit from the EU. *Securing Wales' Future* calls for an early agreement, following the triggering of Article 50, for a transitional phase to avoid a 'cliff edge' departure from the EU. Welsh Government officials continue to work closely with counterparts across Whitehall to highlight the various complexities and challenges associated with maintaining effective delivery of ESI programmes during this negotiation and exit period. PMC members may also wish to highlight any specific challenges or concerns they may have in this respect.

### **Questions put to the European Advisory Group**

1. Are the core principles (page 6) suggested in the paper appropriate to guide the development of a future regional policy in Wales?
2. What partnership arrangements could be put in place to develop and deliver the most effective future regional policy?

## **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 15/01/2017. 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 December 2016 PMC meeting.

#### **Overall position**

- 148 operations worth £2,500m (including EU funding of £1,324m), are currently being supported by the Structural Funds and will assist over 41,500 businesses and provide training/employment support for over 396,800 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. There has been almost 108ha of new woodland created through Glastir Woodlands.

#### **Financial progress**

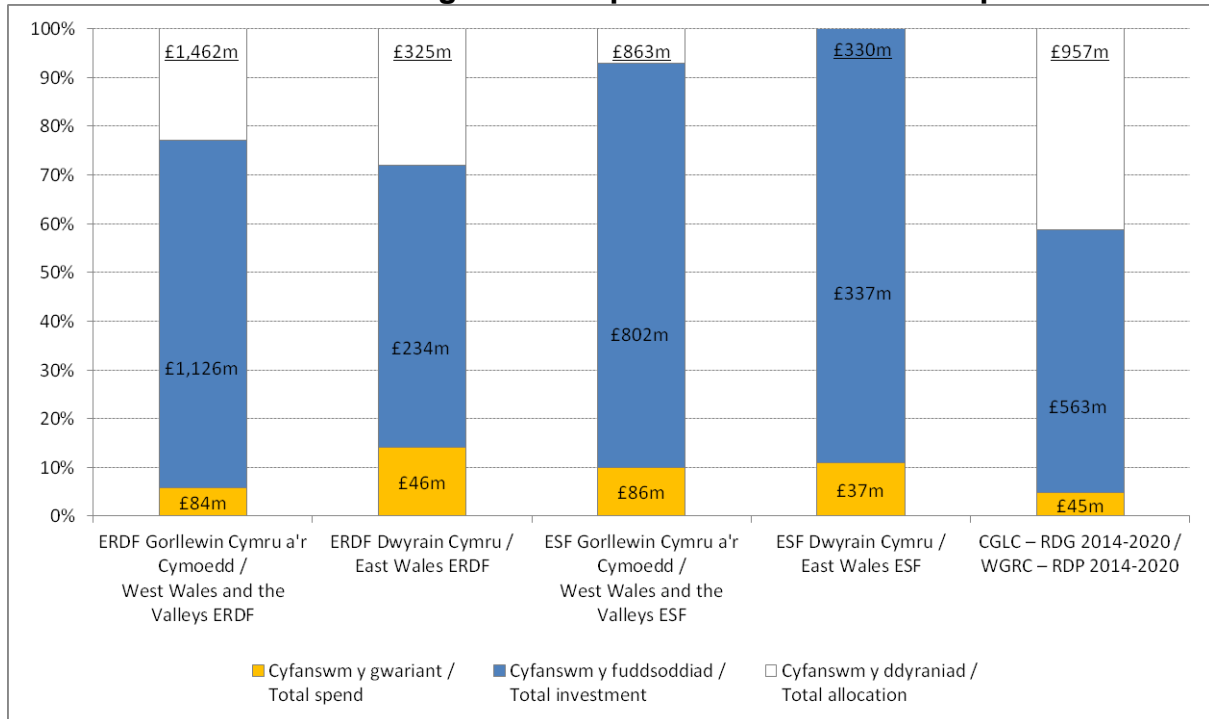
##### **Commitment**

- Under the ERDF Programmes, total commitment currently stands at £1,361m (76% of the total allocation), of which £711m is EU funding (63% of the EU allocation).
- Under the ESF Programmes, total commitment currently stands at £1,139m (95% of the total allocation), of which £613m is EU funding (76% of the EU allocation).
- Under RDP2014-2020, total commitment (including approvals and EOI rounds) currently stands at £563m (59% of programme value) of which £348m is EU funding.

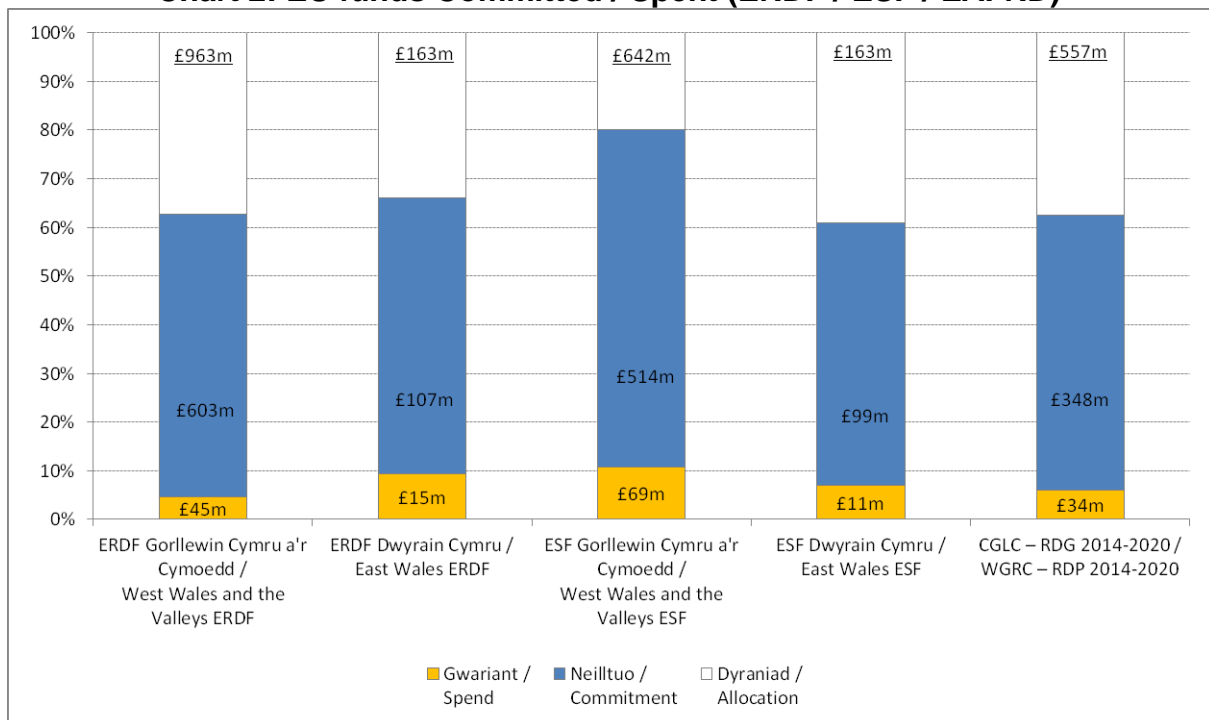
##### **Spend**

- Around £130m of total spend has been recorded under the ERDF Programmes, of which £60m is EU funding
- Around £122m of total spend has been recorded under the ESF Programmes, of which £81m is EU funding
- Around £45m spend has been recorded across the RDP2014-2020 of which £34m 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
<b>ERDF</b>			
Enterprises supported	45,512	41,586	5,052
<i>of which</i>			
Enterprises created	7,400	10,035	1,620
Employment increase in supported enterprises	26,980	32,029	2,292
Amount of research funding secured	£230m	£116m	£32m
Increase in level of export	£233m	£215m	£10m
Additional capacity of renewable energy production	28	1	-
Number of households with improved energy consumption classification	9,700	3,825	-
Public transport services created or improved	2,920,000 vehicle km	-	-
<b>ESF</b>			
People assisted	434,100	396,876	74,358
<i>of which</i>			
Young people assisted	150,000	101,043	13,451
People supported into employment	40,642	49,035	1,488
People gaining qualifications	194,633	225,005	28,749
<b>EAFRD</b>			
Physical area supported	688,000	528,010	676,469
People in training	13,000	13,500	-
Agricultural holdings supported	3,773	542	553

Source: Welsh Government, 15/01/2017

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

## Annex 1: ERDF 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**

							£ Millions
Programme / Priority Axis	Operations			EU Grant Commitment			
	Approved	Business Planning	Pre Planning	Allocation*	Approved	Business Planning	Pre Planning
West Wales and the Valleys ERDF							
Priority 1	18	1	0	239.5	204.1	5.0	-
Priority 2	7	0	0	166.4	146.4	-	-
Priority 3	5	5	5	136.7	36.5	45.4	61.7
Priority 4	13	8	2	401.0	197.3	68.9	88.0
Priority 5	7	0	0	19.3	19.0	-	-
Total	50	14	7	962.8	603.3	119.3	149.7
East Wales ERDF							
Priority 1	8	0	0	71.3	60.2	-	-
Priority 2	7	0	1	31.9	31.6	-	10.0
Priority 3	1	0	0	17.9	3.6	-	-
Priority 4	2	0	1	38.3	9.3	-	28.9
Priority 5	6	0	0	3.3	2.9	-	-
Total	24	0	2	162.6	107.5	-	38.9
Total ERDF	74	14	9	1,125.5	710.8	119.3	188.6

Source: WEFO, 15/01/2017

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

### Overall Programme Update

The two ERDF Programmes continue to make good progress with 74 operations approved committing just over £710 million grant being just over 63% of the programme values an increase of almost £160 million grant since the PMC met in December 2016. Operations have been approved across all Priorities in both programmes.

## Annex 1: ERDF Update

### 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	8	£95.8m	£96.3m	101%	4	£26.9m	£21.9m	81%
SO1.2: Commercialisation	10	£143.7m	£107.9m	75%	4	£44.4m	£38.3m	86%
<b>Total Priority 1</b>	<b>18</b>	<b>£239.5m</b>	<b>£204.2m</b>	<b>85%</b>	<b>8</b>	<b>£71.3m</b>	<b>£60.2m</b>	<b>84%</b>

Source: WEFO, 15/01/2017

### Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ERDF Approved	Total investment	ERDF Approved
IMPACT (Swansea University)	£35.0m	£17.4m		
SPARC II (Swansea University)	£7.2m	£4.8m		
Institute for Compound Semiconductor (Cardiff University)			£32.7m	£13.1m
Supercomputing Wales (Cardiff University)	£8.0m	£5.3m	£6.7m	£3.7m

The Research and Innovation portfolio continues to develop well with almost 85% 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).

The majority of the portfolio is now in place with a good spread of investments across both Specific Objectives (building research capacity and commercialising R&D). Members will be aware of the recent call for innovative proposals that can successfully translate research and innovation into new and improved commercial products, processes and services which closed on 31 January 2017. Early indications are that the call was very successful, with 45 bids received (WWV 31 and EW 14) from a range of organisations, including HE/FE, Private Sector and Welsh Government. It is anticipated that the remaining funds will be fully committed.

It is recognised that the medium to long term nature of research and innovation investments means that it will take time for their impact to show. Nevertheless achievements are starting to come through from the earlier investments. The success of the call for innovative proposals would suggest that the 1.2 indicators will improve in coming years.

## Annex 1: ERDF Update

**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	£88m	£11m	£65m	£28m	£21m
	Number of enterprises cooperating with supported research institutions	160	104	13	90	31	-
	Number of improved research infrastructure facilities	6	5	-	2	1	1
	Number of new researchers in supported entities	470	355	7	290	91	17
	Number of researchers working in improved research infrastructure facilities	200	338	-	110	61	38
SO1.2 To increase the successful translation of research and innovation processes into new and improved commercial products, processes and services, in particular through improved technology transfer from HEIs	Number of enterprises supported to introduce new to the market products	490	167	1	300	91	-
	Number of enterprises supported to introduce new to the firm products	725	370	2	440	141	-
	Number of enterprises cooperating with supported research institutions	1,212	500	7	715	211	-
	Number of enterprises receiving grants	520	342	-	320	305	-
	Number of enterprises receiving non-financial support	3,750	1,081	47	2,245	459	16
	Number of new enterprises supported	30	29	-	20	6	-
	Private investment matching public support in innovation or R&D projects	€42.8m	€46.0m	€0.0m	€26.2m	€27.5m	€0.0m
	Employment increase in supported enterprises	1,125	468	-	670	186	-
	Number of patents registered for products	519	210	-	315	87	-
	Number of pilot projects completed	n/a	48	-	n/a	-	-
	Enterprises adopting or improving:						
	- equality and diversity strategies and monitoring systems	956	1	-	515	-	-
	- sustainable development strategies and monitoring systems	956	1	-	515	-	-

Source: WEFO, 15/01/2017

## **Annex 1: ERDF Update**

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).

## Annex 1: ERDF Update

### 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	£9.9m	115%
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	£5.5m	211%
<b>Total Priority 2</b>	<b>7</b>	<b>£166.4m</b>	<b>£146.4m</b>	<b>88%</b>	<b>7</b>	<b>£31.9m</b>	<b>£31.6m</b>	<b>99%</b>

Source: WEFO, 15/01/2017

#### Approvals since the last PMC

None since the last PMC meeting

An integrated portfolio has been developed around operations that make up the 'Business Wales Family' encompassing Welsh Government, Wales Co-Operative Centre, Finance Wales and the WCVA.

Good progress has been made on commitment with 90% of available resources across both programmes committed.

The Business Wales Fund, a Financial Instrument, has made good progress since its launch in September 2016. By the end of December 2016 it had invested £5.4m in 19 SMEs supporting total investment of just over £28m. Employment Increase is not measured until 12 months after the investment is made, so these will flow through later.

The ERDF is paid into the fund in tranches of 25% dependant on achieving investment targets. The East Wales fund has already drawn its second tranche of ERDF, and West Wales is ready to draw its second tranche. This is good news for the Fund and the SMEs who access the support and demonstrates the progress the Fund is making.

The pace of delivery in the Enterprise, Start-up and Growth activities is starting to be reflected in the outputs so for example an increase in employment approaching 2,300 and level of export just under £10m across both programmes is encouraging. WEFO continues to closely monitor progress, recognising the risks inherent in the delivery of the priority being concentrated in a small number of operations (7 in each programme).

## Annex 1: ERDF Update

**Table 3: Progress against indicators**

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date <sup>1</sup>	Target	Project Forecast	Achieved to date <sup>1</sup>
SO2.1 To increase the amount of finance available to SMEs for both business start-up and for business expansion	Investment in enterprises	£91.6m	£149.6m	£8.2m	£25.9m	£22.3m	£23.4m
	Number of enterprises receiving grants	160	-	-	45	-	-
	Number of enterprises receiving financial support other than grants	235	228	7	65	31	4
	Private investment matching public support to SMEs - Non-grants	€132.0m	€101.0m	€7.0m	€37.3m	€16.8m	€28.2m
	Employment increase in supported enterprises	2,300	1,954	-	650	265	-
	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	925	2,200	4,000	695
	Number of enterprises receiving non-financial support	275	-	-	120	-	-
	Individuals receiving support	14,350	6,000	854	6,200	4,000	466
	Individuals receiving support - Female individuals	7,300	-	360	3,100	-	190
	Individuals receiving support - BME individuals	375	-	39	445	-	16
	Individuals receiving support - Disabled individuals	3,650	-	6	1,350	-	3
	Employment increase in supported enterprises	8,800	10,250	734	3,800	6,750	230
	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

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



## Annex 1: ERDF Update

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date <sup>1</sup>	Target	Project Forecast	Achieved to date <sup>1</sup>
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
SO2.4 To increase the growth of those SMEs with growth potential, in particular through accessing new markets (both domestic and international)	Employment increase in supported enterprises	6,450	7,215	1,066	2,550	4,606	262
	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	1,701	5,400	8,170	1,226
	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	£8.4m	£65.9m	£85.0m	£1.7m
	Enterprises adopting or improving:						
	- sustainable development strategies and monitoring systems	8,700	5,000	19	1,300	3,300	4
	- equality and diversity strategies and monitoring systems	8,700	5,000	25	3,200	3,300	5
SO2.5 To address market failures in the availability of finance, in particular risk capital, for Welsh SMEs to undertake innovation and commercialise R&D	Investment in enterprises	£26.5m	£41.4m	£2.4m	£7.2m	£12.7m	£4.1m
	Number of enterprises receiving financial support other than grants	90	49	4	25	-	4
	Private investment matching public support to SMEs - Non-grants	€23.8m	€27.9m	€1.8m	€14.1m	€9.7m	€3.7m
	Employment increase in supported enterprises	490	265	-	145	70	-
	Number of enterprises supported to introduce new to the firm products	20	24	-	5	6	-
	Enterprises adopting or improving:						
	- sustainable development strategies and monitoring systems	45	15	-	5	-	-
	- equality and diversity strategies and monitoring systems	45	18	-	13	-	-

Source: WEFO, 15/01/2017

<sup>1</sup> Some of the Achieved to date are provisional figures still undergoing verification

## Annex 1: ERDF Update

### 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	4	£80.3m	£16.9m	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)	1	£37.6m	£19.7m	52%	1	£14.3m	£3.6m	25%
<b>Total Priority 3</b>	<b>5</b>	<b>£136.7m</b>	<b>£36.6m</b>	<b>27%</b>	<b>1</b>	<b>£17.9m</b>	<b>£3.6m</b>	<b>20%</b>

Source: WEFO, 15/01/2017

### Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ERDF Approved	Total investment	ERDF Approved
Arbed 3 (Welsh Government)	£28.4m	£19.7m	£7.1m	£3.6m
Pembrokeshire Wave Energy Demonstration Zone – Feasibility	£0.3m	£0.2m		

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. Pre-planning conversations with developers are continuing at pace and the pipeline continues to be encouraging.

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. WEFO is in the process of reviewing the interest in this activity and will consider options on how to proceed shortly.

The Arbed 3 strategic pan-Wales operation is now approved and procurement of the Scheme Managers is underway with tender evaluations scheduled for February 2017. To ensure the correct model for delivery is agreed and so that the procured deliverers fully understand their obligations a series of workshops are currently being held between Welsh Government as lead beneficiary, Local Authorities and the Regional Engagement teams. The outcome from these workshops will determine the delivery model to be adopted during the lifetime of the operations.

It is anticipated delivery will commence late spring 2017.

## Annex 1: ERDF Update

**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	-	-
	Number of enterprises supported to introduce new to the firm products	75	-	-	35	-	-
SO3.2 To increase the number of small scale renewable energy schemes established	Number of pilot projects completed	4	-	-	3	-	-
(SO3.1 East Wales)	Additional capacity of renewable energy production (MW)	n/a	n/a	n/a	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	3,060	-	4,200	765	-
	Estimated decrease of GHG	10	-	-	5	-	-
(SO3.2 East Wales)							

Source: WEFO, 15/01/2017

## **Annex 1: ERDF Update**

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.

## Annex 1: ERDF Update

### 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	3	£85.1m	£64.2m	75%	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	6	£133.7m	£94.3m	71%	n/a	n/a	n/a	n/a
<b>Total Priority 4</b>	<b>13</b>	<b>£401.0m</b>	<b>£197.3m</b>	<b>49%</b>	<b>2</b>	<b>£38.3m</b>	<b>£9.3m</b>	<b>24%</b>

Source: WEFO, 15/01/2017

### Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ERDF Approved	Total investment	ERDF Approved
A40 Llanddewi Velfrey to Penblewin (Welsh Government)	£35.0m	£23.0m		
A55 Abergwyngregyn to Tai'r Meibion (Welsh Government)	£22.4m	£14.9m		
A55 Junctions 15 and 16 (Welsh Government)	£40.0m	£26.3m		
Property for Business Development Grant (PBDG) (Welsh Government)	£20.0m	£7.0m		

WWV and EW programmes recognise that investment to improve connectivity is an essential pre-requisite axes. For example, investment in TEN-T roads should target those parts of the A40 and A55 which have the greatest scope to improve connectivity and allow people to access a wider range of job and learning opportunities. The two approved A55 operations will have a direct link to improving accessibility for two sites (Llangefni and Penrhos) in addition to the wider opportunities arising from Energy Island. The approved A40 operation will have a direct impact on the Havens' Enterprise Zone and proposed site developments at Withybush and Cross-hands.

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 it continues to make good progress with three projects now supported by this backbone operation. These are: Rock UK, Colwyn Bay Waterfront and the Porthcawl Maritime Centre. 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 WEFO is currently working closely with the Welsh Government to ensure the timely submission of individual projects to WEFO for assessment and agreement to commence works. WEFO agreement to the first tranche of projects is expected in March 2017.

Six regionally prioritised Sites and Premises 'gap' fillers are in WEFO's business planning phase with approval also expected shortly.

## **Annex 1: ERDF Update**

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 a number of very constructive meetings between WEFO, Welsh Government Transport and JASPERS' have taken place including frequent telephone conference calls. Further meetings between JASPERS, WEFO and Welsh Government are planned to ensure the momentum and positive progress made to date is maintained.

## Annex 1: ERDF Update

**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	7	-	n/a	n/a	n/a
	Footpath or cycleway created or reconstructed	10	3	-	n/a	n/a	n/a
	Public transport services created or improved	2,500,000	-	-	420,000	-	-
	Intermodal facilities created or improved	25	6	3	5	-	-
	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	-	-

## Annex 1: ERDF Update

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	2,760	-	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	142,489	-	n/a	n/a	n/a
	SMEs accommodated	235	237	-	n/a	n/a	n/a

Source: WEFO, 15/01/2017



## **Annex 1: ERDF Update**

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

## Annex 1: ERDF Update

### Priority 5: Technical Assistance

	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ERDF Approved		Operations	Indicative Allocation	ERDF Approved	
<b>Total Priority 5</b>	7	£19.3m	£19.0m	99%	6	£3.3m	£2.9m	88%

Source: WEFO, 15/01/2017

### Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ERDF Approved	Total investment	ERDF Approved
WEFO TA (Welsh Government)	£19.7m	£13.3m	£3.4m	£1.7m

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. All TA operations are now approved.

## Annex 2: ESF Update

### 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**

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	3	0	156.8	100.6	2.3	-
Priority 2	16	5	4	276.5	252.9	6.7	-
Priority 3	13	7	3	195.8	145.7	14.7	-
Priority 4	6	0	0	12.8	14.9	-	-
Total	45	15	7	641.9	514.1	23.7	-
East Wales ESF							
Priority 1	5	5	1	35.0	13.2	2.6	-
Priority 2	10	4	3	76.4	46.1	1.7	-
Priority 3	9	6	1	48.0	36.9	5.8	-
Priority 4	5	0	0	3.3	2.8	-	-
Total	29	15	5	162.6	99.0	10.1	-
Total ESF	74	30	12	804.5	613.0	33.8	-

Source: WEFO, 15/01/2017

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

### Overall Programme Update

Commitment is now at 76% across both programmes, with 74 operations approved giving an overall commitment of £613 million, an additional £228.8m ESF since the last PMC mostly in planned extensions for backbone operations under each Priority area. This increase in the pace of commitment reflects WEFO's objective to commit 60% of the Structural Funds under the main regional programmes by the end of November 2016, which was achieved. The extensions to Welsh Government operations will see delivery in place for the timescale of the current Welsh Government.

Most Priority and Specific Objective areas now have a balanced portfolio of operations designed to deliver across the range of target participant client groups and target outcomes. New operations still under development have the potential to commit a further £34m and offer more tailored niche activity to fill gaps in either the range of provision on offer or targeted client group. WEFO will need to work with stakeholders to develop further interest in the EW Poverty priorities where commitment levels remain below expected levels.

In addition to managing future commitments, the main focus for ESF is now on delivery. The programmes have already engaged with over 74,000 participants to date (17% of the overall target).

## Annex 2: ESF Update

### 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	£33.9m	92%	n/a	n/a	n/a	n/a
SO1.2: Inclusion & Engagement in LM (SO1.1 EW)	8	£96.2m	£63.4m	66%	5	£35.0m	£13.2m	38%
SO1.3: Helping People stay in work	1	£23.6m	£3.3m	14%	n/a	n/a	n/a	n/a
<b>Total Priority 1</b>	<b>10</b>	<b>£156.8m</b>	<b>£100.6m</b>	<b>64%</b>	<b>5</b>	<b>£35.0m</b>	<b>£13.2m</b>	<b>38%</b>

Source: WEFO, 15/01/2017

#### Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ESF Approved	Total investment	ESF Approved
SOVA			£1.15m	£0.57m

A further £31.8 million ESF has been approved in the WWV programme area and a further £3.2m in the EW programme area since the last PMC meeting, taking the Priority commitment to 64% and 38% in WWV and EW respectively. The majority of the additional funding has been awarded through extensions to existing operations. Additional ESF of £21.5m has been awarded to extend the duration and breadth of **ReACT III** in WWV in preparation for the planned introduction of the All Age Employability Programme in 2018. The enhanced provision will see support from 2018 extended to include Short term unemployed individuals with low skills or a work limiting health condition. Additional ESF of £12.9m (£10.3m WWV and £2.6m EW) has also been approved for the WG led **Communities 4 Work** project.

Of the funded committed in East Wales, £0.6m has been approved for the SOVA led **Achieving Change through Employment**. This niche operation will focus on enabling economically inactive and long term unemployed black and minority ethnic (BAME) and migrant individuals to gain sustainable employment.

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.

In East Wales the commitment levels, as a proportion of the funding available, are lower than anticipated at this stage although the overall ESF value committed is similar to that of the last programme at this stage. WEFO are currently working with stakeholders in EW to further develop proposals within the pre planning stage, particularly for example from the Local Authorities at a regional level to help improve overall commitment levels. Anecdotal evidence suggests that the availability of match funding is limiting the scale and scope of proposed interventions and overall interest in this Priority.

## **Annex 2: ESF Update**

Similarly in SO3 in WWV WEFO is still seeking to engage with interested parties to deliver to Underemployed individuals and Employed individuals with a work limiting health condition.

## Annex 2: ESF Update

**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	4,799	-	n/a	n/a	n/a
	Individuals impacted by redundancy	12,001	15,269	1,370	n/a	n/a	n/a
	Short term unemployed participants with low skills or a work limiting health condition or disability in employment upon leaving	33%	57%	0%	n/a	n/a	n/a
	Short term unemployed participants with low skills or a work limiting health condition or disability gaining a qualification upon leaving	50%	86%	0%	n/a	n/a	n/a
	Individuals impacted by redundancy in employment upon leaving	55%	54%	20%	n/a	n/a	n/a
	Individuals impacted by redundancy gaining a qualification upon leaving	70%	78%	77%	n/a	n/a	n/a

## Annex 2: ESF Update

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	41,845	1,794	12,700	13,936	190
	Long-term unemployed (aged 25 and over) who have complex barriers to employment	10,800	16,776	843	3,800	5,863	243
	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%	18%	5%	20%	17%	14%
	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%	3%	25%	14%	21%
	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%	7%	50%	24%	3%
	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%	17%	0%	54%	21%	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%	27%	6%	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%	23%	5%	53%	19%	1%

## Annex 2: ESF Update

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, 15/01/2017



## Annex 2: ESF Update

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

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

## Annex 2: ESF Update

### 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	£87.4m	66%	3	£50.0m	£19.0m	38%
SO2.2: Adaptability and Progression	8	£83.2m	£123.9m	149%	6	£22.5m	£25.3m	113%
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%
<b>Total Priority 2</b>	<b>16</b>	<b>£276.5m</b>	<b>£252.9m</b>	<b>91%</b>	<b>10</b>	<b>£76.4m</b>	<b>£46.1m</b>	<b>60%</b>

Source: WEFO, 15/01/2017

### Approvals since the last PMC

None since last PMC meeting.

Although no new operations have been approved since the last PMC, a further £123.5m ESF has been committed to extend existing operations across both programmes taking the Priority commitment to 91% and 60% in WWV and EW respectively. Additional ESF of £122.5m (£101.7 in WWV and £20.8 in EW) has been approved to extend the existing suite of **Apprenticeships** projects to help support the Welsh Government's commitment to deliver 100,000 new apprenticeships over the lifetime of this Assembly. A further £1m ESF (EW) has been awarded to extend the private sector led **Welsh Financial Services Graduate Programme** to support 40 additional graduates and develop them into highly skilled, industry professionals.

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.

## Annex 2: ESF Update

**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
SO2.1 To increase the skills levels, including work relevant skills, of those in the workforce with no or low skills	Employed including self-employed participants with no formal qualifications - Male	14,029	4,774	187	7,799	1,728	-
	Employed including self-employed participants with no formal qualifications - Female	12,771	5,083	143	7,101	1,934	-
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Male	23,870	21,721	6,523	13,296	9,022	3,192
	Employed including self-employed participants with qualifications up to and including a lower secondary education - Female	21,730	26,131	6,445	12,104	10,854	3,580
	Employed including self employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - Male	72%	77%	37%	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%	78%	44%	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%	58%	72%	81%	56%
	Employed including self-employed participants with up to and including a lower secondary education gaining an essential skills or technical or job specific qualification at lower secondary level upon leaving - Female	72%	80%	54%	72%	81%	51%

## Annex 2: ESF Update

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	22,177	4,343	6,438	9,754	2,324
	Employed including self-employed participants with lower secondary education (CQFW 2) - Female	14,630	27,412	4,624	5,862	12,208	2,443
	Employed including self employed participants with upper secondary (CQFW 3) education or above - Male	10,731	11,887	4,610	4,292	5,385	2,820
	Employed including self employed participants with upper secondary (CQFW 3) education or above - Female	9,769	12,997	9,131	3,908	5,586	5,552
	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%	53%	60%	80%	56%
	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%	51%	60%	80%	54%
	Employed including self employed participants with upper secondary (CQFW 3) education or above gaining a technical or job specific vocational qualification at or above upper secondary (CQFW 3) level upon leaving - Male	60%	80%	36%	60%	80%	38%
	Employed including self employed participants with upper secondary (CQFW 3) education or above gaining a technical or job specific vocational qualification at or above upper secondary (CQFW 3) level upon leaving - Female	60%	80%	42%	60%	80%	44%

## Annex 2: ESF Update

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	55	n/a	n/a	n/a
	Participants with graduate degree or equivalent - Female	720	368	39	n/a	n/a	n/a
	Number of enterprises collaborating with learning providers	750	542	76	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, 15/01/2017

## Annex 2: ESF Update

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 36,000 participants have already been enrolled by approved operations in this Priority. The apparent shortfall on participants gaining qualifications at this point in time across the SOs reflects the length of courses undertaken, as in the case of MAs and PhDs, together with the timing of the academic year with outcomes expected from July/ August onwards. *Increasing skills for those with low or no skills (SO2.1):* Forecasts are high against programme targets, given the relatively low financial commitment to date (average 58%), and achievements to date are encouraging. The exception is participants with no formal qualifications; this is because it is proving difficult to define what is meant by 'no formal qualifications'. Some operations are reporting that even very low skilled individuals are often presenting with at least some level of prior qualification (e.g. an entry level award) which is leading to them reporting fewer participants than expected as holding 'no qualifications'.

*Intermediate and higher level skills (SO2.2):* Across Wales all targets and outcomes are predicted to be exceeded. Encouragingly, in West Wales and the Valleys, claims data shows that 44% of the target number of participants has already been achieved, whilst in EW this figure is even higher (64%).

*Research and Innovation activity (SO2.3 in WW&V only):* Participants forecast are lower than programme targets than 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. This target now appears too high given that activity in this area is limited to the 'grand challenge' areas of Science for Wales and that outputs (e.g. doctorates) take a number of years to achieve. Encouragingly, the lower level of participants is somewhat mitigated by a significantly higher proportion of those participants expected to achieve key outcomes. 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, although the proportion of achievements to date is currently higher in the EW programme area.

## Annex 2: ESF Update

### 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	6	£107.7m	£97.9m	91%	6	£36.0m	£29.1m	81%
SO3.2: Youth attainment & Engagement	5	£68.3m	£42.0m	61%	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
<b>Total Priority 3</b>	<b>13</b>	<b>£195.8m</b>	<b>£145.7m</b>	<b>74%</b>	<b>9</b>	<b>£48.0m</b>	<b>£36.9m</b>	<b>77%</b>

Source: WEFO, 15/01/2017

### Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ESF Approved	Total investment	ESF Approved
Healthy Working Wales - Out of Work Services - 16-24 (Welsh Government)	£2.7m	£2.0m	£1.4m	£0.7m
Inspire 2 Work (Blaenau Gwent County Borough Council)	£7.3m	£5.4m		

A further £60.8m ESF has been approved across both programmes since the last PMC meeting, taking the Priority commitment to 74% and 77% in WWV and EW respectively. The portfolio of operations focuses on addressing youth unemployment and attainment, and for young people either classed as NEET or likely to become NEET.

New approvals since the last PMC include £2.7m ESF awarded to the pan Wales Welsh Government led **Healthy Working Wales – Out of Work Services – 16-24** which will aim to support young people in the NEET group who are affected by substance misuse and/or mental health issues into education or employment. £5.4million ESF has also been approved in the WWV programme area for the Blaenau Gwent CBC led **Inspire 2 Work** operation which has been designed to identify and address the needs of NEET 16-24 year olds in bringing about their sustainable integration in to the labour market.

In addition to these new approvals, £47.7m ESF (£38m WWV and £9.7m EW) has been awarded to extend the existing WG led **Traineeships** operations and a further £5m ESF (£4m WWV and £1m EW) has been awarded to extend the WG led **Communities for Work** (C4W) operations.

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.

## Annex 2: ESF Update

**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	46,866	6,403	21,200	26,887	2,790
	NEET Participants (16 - 24 years of age) gaining qualifications upon leaving - with primary or lower secondary education	20%	41%	0%	20%	43%	0%
	NEET Participants (16 - 24 years of age) in education/training upon leaving	17%	17%	25%	17%	17%	27%
	NEET Participants (16 - 24 years of age) entering employment upon leaving	28%	31%	11%	28%	32%	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	1,622	13,000	6,236	392
	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%	2%
	Participants at risk of becoming NEET(11-24) into education/training upon leaving	19%	8%	6%	18%	12%	1%
	Participants at Risk of becoming NEET (11-24) at reduced risk of becoming NEET upon leaving	-	58%	12%	-	59%	4%



## Annex 2: ESF Update

Specific Objective	Outputs	West Wales and the Valleys			East Wales		
		Target	Project Forecast	Achieved to date	Target	Project Forecast	Achieved to date
SO3.3 To increase the take up of and attainment levels in STEM subjects amongst 11-19 year olds	Young People 11 -19 years of age - Male	8,400	2,160	951	n/a	n/a	n/a
	Young People 11 -19 years of age - Female	15,000	2,830	1,293	n/a	n/a	n/a
	Young People 11-19 years of age completing training in maths Science Engineering and Technology - Male	55%	63%	19%	n/a	n/a	n/a
	Young People 11-19 years of age completing training in maths Science Engineering and Technology - Female	55%	34%	6%	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 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, 15/01/2017

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

*Reducing NEET (SO3.1):* Forecasts against programme targets are high relative to commitment and should allow for remaining operations to target niche areas and specific issues. Overall performance to date is largely positive against profile although progress against results is mixed with higher numbers of participants going on into education or training rather than in to employment or gaining qualifications. Anecdotal evidence from operations suggests this to be a consequence of timing.

*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 timescales in getting delivery systems in place and the more innovative nature of the interventions required. It is likely the complex barriers faced by this cohort of participants are leading to longer and more demanding interventions than anticipated.

*Take-up of STEM subjects (SO3.3. WWV only):* Engagement of participants is in line with profile with the male / female balance showing improvement. Progress against results is not on profile reflecting greater focus on recruitment which has led to a delivery lag and the impact of longer than planned delivery interventions.

*Early-years childcare workforce (SO3.4 WWV only):* Overall forecasts are in line with financial commitment to date, albeit with slightly more of a skew towards female participants. The lack of progress against achievements 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.

## Priority 4: Technical Assistance

	West Wales and the Valleys				East Wales			
	Operations	Indicative Allocation	ESF Approved		Operations	Indicative Allocation	ESF Approved	
<b>Total Priority 4</b>	6	£12.8m	£14.9m	116%	5	£3.3m	£2.8m	87%

Source: WEFO, 15/01/2017

## Approvals since the last PMC

Operations	West Wales and the Valleys		East Wales	
	Total investment	ESF Approved	Total investment	ESF Approved
WEFO TA (Welsh Government)	£15.9m	£8.9m	£4.0m	£2.0m

Four Regional Engagement Teams have been set up to help improve the way we deliver and manage the European Structural Funds programmes 2014-2020. They are based in North Wales, Mid Wales, Swansea Bay and South East Wales. They are adding value to WEFO's delivery and management of the programmes by ensuring the regional integration of delivery. They are also contributing to the move towards a more strategic delivery model with a clearer framework for economic prioritisation by ensuring regional alignment and coherence of operations. One of the key functions of the teams is facilitating the regional proofing of proposed operations in order to provide a regional view to WEFO on the regional strategic fit of all proposed operations with relevant strategies and wider interventions and activities, and, on occasion, to facilitate the regional prioritisation of some proposed operations as requested by WEFO (for example, for ERDF Specific Objective 4.4). The teams are also working with the Regional Skills Partnerships in relation to regional proofing and engagement on ESF operations. All TA operations have now been approved.

## Section 1: WGRC-RDP Programme: Commitment

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
£45.2m	£33.9m	£527.3m	£330.1m	£36.0m	£17.8m

### 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 £563m<sup>1</sup> has been committed, of which £348m 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 £44.97m has been recorded, of which £33.67m is EU funding. This brings overall Programme spend to £45.24m with £33.94m EAFRD. These values will further increase as applications under appraisal are approved.

For the socio-economic schemes within the programme, a total of 312 successful EOIs have been invited to submit a full application. To date, 196 applications have been received. A total of 37 operations have been approved with an overall allocation of £38m. Including direct applications and LEADER this brings the total allocation for approved projects to £158.24m

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

<sup>1</sup> This corrects an error made in the last progress report.

### **Indicator progress**

At this stage in programme delivery, it is not possible to provide forecasts against indicators for all Measures / Focus Areas. Approved target values<sup>2</sup> 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.

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<sup>2</sup> 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	£82.3m
	2	Total public expenditure (£'m)	£13.07m	£11.5m
	16	Total public expenditure (£'m)	£71.8m	£1.7m
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	13,500

source: WEFO, 31/12/2016

### **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.

There are no achievements / spend available for reporting due to the ongoing PPIMS issue / fix to the system. This work is in progress with developers and once available all payments and indicator reporting will be made available.

As a result of the PPIMS fix, there have been some amendments to indicator forecasted targets which is reflected in the new revised figures provided. Once the commission agree to the new targets, this will then need to be reflected in the targets for each programme indicator.

**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 facing major structural problems, notably farms with a low degree of market participation, market-oriented farms in particular sectors and farms in need of agricultural diversification	1.1	training/skills acquisition - Nr of participants in trainings	8,560	10,010
	1.1	Number of training days given	16,160	8,008
	1.1	training/skills acquisition - Total public for training/skills (£'m)	£3.7m	£3.2m
	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)	£34.8m	£42.7m
	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)	£6.6m	£8.5m
	4.1	Nr of holdings supported for investment in agricultural holdings	2,431	0
	4.1	Total public expenditure (£'m)	£57.6m	£0.0m
	4.3	Total public expenditure for investments in infrastructure	£1.8m	£0.0m
	4	Total investment (public + private) (£'m)	£148.4m	£0.0m
	4	Total public expenditure (£'m)	£59.4m	£0.0m
	16	Total public expenditure (£'m)	£0.4m	£0.3m

source: WEFO, 31/12/2016

**Focus Area 2a**

To date a total of 81 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 45 full applications for Sustainable Production Grant (SPG) Scheme under Measure 4.1 have been received, totalling a commitment of £7.5m.

Of the 45 applications received to date one has been approved, with a total allocation of £3.7m.

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



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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. Under the third EOI, 154 EOIs were submitted, with 40 beneficiaries invited 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	1,150
	1.1	Number of training days given	1,000	3,645
	1.1	training/skills acquisition - Total public for training/skills (£'m)	£0.2m	£27.2m
	1.2	Nr of demonstration operations / information actions supported	15	91
	1.1 - 1.3	Total public expenditure € (trainings, farm exchanges, demonstration) (£'m)	£2.3m	£29.8m
	2.1	Nr of beneficiaries advised	600	303
	2.3	Nbr of advisor trained	110	27
	2.1 - 2.3	Total public expenditure (£'m)	£0.8m	£0.9m
	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)	£99.5m	£0.0m
	4	Total public expenditure (£'m)	£40.0m	£0.0m
	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)	£22.2m	£0.1m

source: WEFO, 31/12/2016

#### Focus Area 3a

To date 67 successful EOIs and four direct applications have been invited to submit a full application under Priority 3 (Focus Area 3a) of the Programme.

Thus far 53 full applications have been received, of which 50 are in appraisal or approved, totalling a commitment of £52.4m of which:

- 19 full applications for Cooperation & Supply Chain Development Scheme (C&SCD) under Measure 16.4 have been received, totalling £6.4m.
- 28 full applications for Food Business Investment Scheme (FBIS) under Measure 4.2 have been received, totalling £24.1m.
- 3 full applications for Knowledge Transfer & Innovation Scheme under Measure 1.1 have been received, totalling £21.9m
- Of the 53 full applications received to date 25 have been approved, with a total allocation of £34.3m.

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	1,040	0
	1.1	Number of training days given	1,911	832	0
	1.1	training/skills acquisition - Total public for training/skills	£0.4m	£0.3m	£0.0m
	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)	£4.2m	£4.4m	£0.0m
	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)	£2.0m	£2.2m	£0.0m
	4.4	Nr of operations of support for non productive investment (4.4)	16,425	9,453	99
	4	Total investment (public + private) (£'m)	£169.5m	£107.0m	£0.4m
	4	Total public expenditure (£'m)	£169.5m	£107.0m	£0.4m
	8.1	Area (ha) to be afforested (establishment only- 8.1)	2,160	2,000	106
	8.1	Total public expenditure (8.1) (£'m)	£11.5m	£10.6m	£0.5m
	8.2	Area (ha) to be established in agro-forestry systems (8.2)	147	50	1
	8.2	Total public expenditure (8.2) (£'m)	£0.4m	£0.2m	£0.0m
	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)	£243.4m	£230.1m	£28.2m
	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)	£44.0m	£21.2m	£3.9m
	16	Number of cooperation operations supported (non EIP)	30	0	0
	16	Total public expenditure (£'m)	£8.4m	£0.4m	£0.0m

source: WEFO, 31/12/2016

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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	130	0
	1.1	Number of training days given	189	104	0
	1.1	training/skills acquisition - Total public for training/skills	£0.04m	£0.04m	£0.00m
	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)	£0.4m	£0.4m	£0.0m
	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)	£0.1m	£0.1m	£0.0m
	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)	£0.3m	£0.0m	£0.0m
	8.4	Nr of beneficiaries supported	55	0	41
	8.4	Area supported (ha)	530	0	315
	8.4	Total public expenditure (£'m)	£1.2m	£0.0m	£0.8m
	8.5	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	1,745	501	129
	8.5	Areas concerned by investments improving resilience and environmental value of forest ecosystems (8.5)	32,850	7,000	335
	8.5	Total public expenditure (£'m)	£15.1m	£5.6m	£0.3m
	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)	£0.3m	£0.0m	£0.0m
	16	Number of cooperation operations supported (non EIP)	215	0	0
	16	total public expenditure (£'m)	£4.6m	£0.1m	£0.0m

source: WEFO, 31/12/2016

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.

**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. To date, 55 capital works plans of operations have been completed to a value of £0.26m.

An EOI window for applications for Glastir Advanced agreements to commence on 1 Jan 2018 has been agreed and will be announced shortly. The forecast value for the Glastir Advanced 2018 EOI window is £18.360m.

**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 three rounds of Glastir Organic applications, 140 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 72,655ha (15,111ha for Measure 11.1 and 57,544 ha for Measure 11.2). The total expenditure for Measure 11 is £3.9m. The 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 was 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 £0.68m 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 £1.7m 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 four 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 and a further 230ha of planting approved for completion by April 2017. A further window is planned for Glastir Woodland Restoration in June 2017 with budget of £1.0m. The 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	260
	1.1	Number of training days given	124	208
	1.1	training/skills acquisition - Total public for training/skills	£0.02m	£0.08m
	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)	£0.26m	£1.12m
	2.1	Nr of beneficiaries advised	98	83
	2.3	Nbr of advisor trained	2	7
	2.1 - 2.3	Total public expenditure (£'m)	£0.21m	£0.24m
	4.1, 4.2 & 4.3	Nr of operations s supported for investment (in agricultural holdings, in processing and marketing of ag.	286	0
	4	Total investment (public + private) (£'m)	£16.9m	£0.0m
	4	Total public expenditure (£'m)	£6.8m	£0.0m
	16	Number of cooperation operations supported (non EIP)	20	0
	16	total public expenditure (£'m)	£5.2m	£0.2m

source: WEFO, 31/12/2016

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	260
	1.1	Number of training days given	128	208
	1.1	training/skills acquisition - Total public for training/skills	£0.03m	£0.08m
	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)	£0.3m	£1.11m
	2.1	Nr of beneficiaries advised	98	66
	2.3	Nbr of advisor trained	2	6
	2.1 - 2.3	Total public expenditure (£'m)	£0.17m	£0.19m
	4.1 + 4.3	Nr of operations supported for investment (4.1, 4.3)	187	0
	4	Total investment (public + private) (£'m)	£4.0m	£0.0m
	4	Total public expenditure (£'m)	£1.6m	£0.0m
	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)	£19.6m	£0.0m
	7	Total public expenditure (£'m)	£16.3m	£0.0m
	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)	£0.04m	£0.00m
	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)	£19.3m	£0.0m
	8.6	Total public expenditure (£'m)	£8.2m	£0.0m
	16	Number of cooperation operations supported (non EIP)	135	0
	16	total public expenditure (£'m)	£12.3m	£0.1m

source: WEFO, 31/12/2016

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Focus Area	Measure	Outputs	Target	Forecast	Achieved to date
FA 5(d) Reducing nitrous oxide and methane emissions from agriculture	1.1	training/skills acquisition - Nr of participants in trainings	884	260	0
	1.1	Number of training days given	1,684	208	0
	1.1	training/skills acquisition - Total public for training/skills	£0.34m	£0.08m	£0.0m
	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)	£3.7m	£1.1m	£0.0m
	2.1	Nr of beneficiaries advised	1,120	588	0
	2.3	Nbr of advisor trained	2	52	0
	2.1 - 2.3	Total public expenditure (£'m)	£1.5m	£1.7m	£0.0m
	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	7
	4	Total investment (public + private) (£'m)	£8.5m	£0.09m	£0.0m
	4	Total public expenditure (£'m)	£3.4m	£0.09m	£0.0m
	10.1	Area (ha) (e.g. green cover, catch crop, reduced fertilisation, extensification...)	199,766	59,807	0
	10.1	Total public expenditure (£'m)	£17.9m	£11.67m	£0.0m
	16	Number of cooperation operations supported (non EIP)	20	0	0
	16	total public expenditure (£'m)	£5.2m	£0.2m	£0.0m

source: WEFO, 31/12/2016

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	260	0
	1.1	Number of training days given	164	208	0
	1.1	training/skills acquisition - Total public for training/skills	£0.03m	£0.08m	£0.0m
	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)	£0.3m	£1.1m	£0.0m
	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	£0.22	£0.0m
	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)	£3.6m	£0.36m	£0.0m
	4	Total public expenditure (£'m)	£1.3m	£0.36m	£0.0m
	8.1	Area (ha) to be afforested (establishment only- 8.1)	1,440	832	19
	8.1	Total public expenditure (8.1) (£'m)	£7.66m	£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)	£0.4m	£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)	£0.78m	£0.0m	£0.0m
	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)	£3.7m	£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)	£10.0m	£2.72m	£0.0m
	10.1	Physical Area (ha) under agri-environment-climate for carbon sequestration	585	1,140	0
	10.1	Total public expenditure (£'m)	£2.2m	£1.06m	£0.0m
	16	Number of cooperation operations supported (non EIP)	220	0	0
	16	total public expenditure (£'m)	£5.5m	£0.2m	£0.0m

source: WEFO, 31/12/2016



### Focus Area 5c

To date two full applications have been invited under Priority 5 (Focus Area 5c), one has since been rejected.

The remaining 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 (Focus Areas 5d & 5e) 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)	£0.4m	£0.5m
	4	Total investment (public + private) (£'m)	£2.1m	£0.0m
	4	Total public expenditure (£'m)	£0.9m	£0.0m
	6.2 + 6.4	Nr of beneficiaries (holdings) receiving start up	140	0
	6	Total investment (public + private) (£'m)	£27.5m	£0.0m
	6	Total public expenditure (£'m)	£15.0m	£0.0m
	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)	£0.6m	£0.0m
	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)	£4.0m	£0.0m
	8.6	Total public expenditure (8.6) (£'m)	£1.7m	£0.0m
	16	Number of cooperation operations supported (non EIP)	106	0
	16	Total public expenditure (£'m)	£0.6m	£0.0m
	6.2, 6.4, 8.6	Number of jobs created	142	0

source: WEFO, 31/12/2016

### Focus Area 6a

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

A total of 5 full applications under Measure 8.6 have been received, totalling a commitment of £271k, and one direct application has been received, a commitment of £5.3m

Of the 6 applications received to date one has been approved, with a total allocation of £4.3k

## ANNEX 3 – WGRC-RDP

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)	£39.5m	£0.0m
	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)	£0.1m	£0.0m
	19.2	Total public expenditure - support for implementation of operations under the CLLD strategy (£'m)	£32.3m	£0.0m
	19.3	Total public expenditure - preparation and implementation of cooperation activities of the local action group (£'m)	£3.4m	£0.0m
	19.4	Total public expenditure - support for running costs and animation (£'m)	£11.9m	£0.0m
	16	Number of cooperation operations supported (non EIP)	31	0
	16	total public expenditure (£'m)	£7.5m	£0.0m
	7 + 19	Number of jobs created	100	0

source: WEFO, 31/12/2016

### Focus Area 6b

There are now 139 successful EOIs, 6 direct applications and 18 LAGs invited to submit full application under Focus Area 6b.

So far 91 full applications have been received under this Focus Area, totalling a commitment of £55.8m. Of these;

- 15 full applications for Cooperation & Supply Chain Development (C&SCD) Scheme under Measure 16.2 have been received, totalling £15.1m.
- 58 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 £7.5m.
- 18 LAGs have submitted full applications, totalling £33.2m.

## ANNEX 3 – WGRC-RDP

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	130
	1.1	Number of training days given	400	104
	1.1	training/skills acquisition - Total public for training/skills	£0.04m	£0.04m
	1.1 -1.3	Total public expenditure (trainings, farm exchanges, demonstration) (£'m)	£0.43m	£0.55m
	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)	£3.4m	£0.0m

source: WEFO, 31/12/2016

### Focus Area 6c

There have been 4 successful EOIs invited to submit a full application under Focus Area 6c. So far 2 full applications have been received under the Rural Community Development Fund Measure 7.3, a commitment of £210k

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 (ESI) FUNDS 2014 – 2020:**

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

#### **Issue**

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

#### **Recommendation**

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

#### **Background**

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

#### **Sustainable Development Indicators**

4. The Sustainable Development CCT indicators agreed with the European Commission for the current ERDF and ESF Operational Programmes are:
  - “Enterprises adopting or improving sustainable development strategies and monitoring systems”
  - “Operations integrating sustainable development into awareness raising, education and training programmes”
5. The indicators are present in the following priorities:

#### **ERDF:**

#### **Priority 1 Research and Innovation**

#### WW&V and EW: Specific Objective 1.2

- % of enterprises adopting or improving their sustainable development strategies and monitoring systems

Note: A baseline inception analysis is currently being undertaken under the SMART Innovation gateway operation, which will identify the most appropriate method to deliver the CCT indicators for this priority. It has been agreed that measurement against these indicators will commence once the findings of the analysis have been concluded.

## **Priority 2 SME Competitiveness:**

WW&V and EW: All specific objectives except 2.3

- % of enterprises adopting or improving their sustainable development strategies and monitoring systems

## **ESF:**

## **Priority 1 Tackling Poverty through Sustainable Employment:**

WW&V and EW: All specific objectives.

- % of operations integrating sustainable development into awareness raising, education or training programmes

## **Priority 2 Skills for Growth:**

WW&V Specific Objective 2.4 and EW Specific Objective 2.3.

- % of enterprises adopting or improving their sustainable development strategies and monitoring systems

WW&V and EW: All specific objectives.

- % of operations integrating sustainable development into awareness raising, education or training programmes

## **Priority 3 Youth Employment and Attainment:**

WW&V and EW: All specific objectives.

- % of operations integrating sustainable development into awareness raising, education or training programmes

6. The information shown in **Annex 1** provides a useful guide to the number of operations which will be delivering activity against the indicators.

7. At this stage in the implementation of the programmes the data is limited, making an accurate assessment of progress difficult. The introduction of a mobilisation phase in the current ESI programmes enables operations to explore the potential opportunities for delivering against the Sustainable Development CCT indicators if there is uncertainty around how they might best be addressed. It is only at the end of the mobilisation phase, when a

clear delivery mechanism has been identified that the indicators are added to a operation's delivery profile. At present there are 12 operations at the stage of refining their approach to addressing the indicator "operations integrating sustainable development into awareness raising, education or training programmes". These operations are not included in the list at Annex 1.

### The Cross Cutting Theme Project Level Indicators

8. The inclusion, in programmes, of formal indicators for sustainable development is an important driver in encouraging operations to address this CCT. It also enables the monitoring of progress to take place systematically over the life of the programme.
9. However, as evidence gathered through the Cross Cutting Theme Evaluation conducted in 2015 demonstrated, formal targets have limitations when it comes to 'showcasing' and validating the often wider range of CCT related activities undertaken during operation implementation. In response to the evaluation findings, additional operation level CCT indicators have therefore been developed and applied, (as agreed at the June 2015 PMC) which enables these activities to be captured and reported. These project level indicators ( see **Annex 4**) sit alongside the formal CCT indicators and are extracted from the narrative of the Business Plans submitted by ESI funded operations. This ensures that there is no additional work for the operation when completing their applications whilst providing for good practice to be identified and reported.
10. The information contained in **Annex 2**, gives an indication of the kind of activity which is being delivered along with a full list of the CCT project level indicators.
11. An example of an operation which has fully embraced the project level indicators is CUBRIC II led by Cardiff University. This operation involved the expansion and relocation of Cardiff University Brain Research Imaging Centre (CUBRIC) to a purpose built facility. CUBRIC is funded through ERDF Priority 1, SO1.1 and therefore does not have the opportunity to contribute to any formal CCT SD indicators. However the following table demonstrates the operations commitment to the themes under the project level indicator system

Proposed contribution to case level indicators	
<b>EO&amp;GM</b>	<ul style="list-style-type: none"> <li>• Positive action measures – women</li> </ul>
<b>SD</b>	<ul style="list-style-type: none"> <li>• Local supply chain development</li> <li>• Integration of green infrastructure</li> <li>• Support for bio-diversity activity on a site funded through SF's.</li> <li>• Resource efficiency measures</li> <li>• Site environmental management plans</li> <li>• BREEAM excellent where applicable</li> </ul>

<b>TP&amp;SE</b>	<ul style="list-style-type: none"> <li>• Volunteering schemes</li> <li>• Community skill building activity</li> </ul>
<b>General CCT</b>	<ul style="list-style-type: none"> <li>• Stakeholder engagement good practice activity</li> <li>• Integration of social clauses</li> <li>• Developing/engaging CCT champions</li> </ul>

12. In terms of this operation's commitment to sustainable development, it is clear that sustainability and minimising adverse environmental impacts were key elements embedded into the design of the CUBRIC facility. The building has achieved BREEAM 'excellent' status, which is a condition set by Welsh Government for any publically funded capital build. The contractor also adhered to the Welsh Government condition that a minimum of 10% of the total value of materials used should derive from recycled and reused sources, and that 25% of aggregates used for the build were from a secondary or recycled source. The building has also incorporated three green roofs into it's design and an outdoor terrace for the use of CUBRIC staff. The planting is both of a sedum and wildflower mix to retain and promote on-site biodiversity as far as possible.

Photo: PMC Chair Julie Morgan's tour of CUBRIC II and the green roof terrace.



## PR and Media

13. The Cross Cutting Themes Team is exploring ways to publicise how operations are integrating the CCTs into their operation design and delivery. Working with the WEFO Communication Team, the aim is to raise the profile of the CCTs and demonstrate the added value the CCTs can bring to



operations. WEFO would welcome any suggestions from PMC members which would support this aim.

14. **Annex 3** illustrates a collection of recent WEFO tweets and an info-graphic which highlights various operations which are embedding the CCTs.

### **Well Being of Future Generations (Wales) Act**

15. WEFO, through the Cross Cutting Themes Team, continues to actively engage with the development of the Well Being of Future Generations (WBFG) Act. The Team has discussed developments with Welsh Government colleagues (who have the Act under the remit of departmental activity), and have organised quarterly meetings to ensure up-to-date information is received and reported back to WEFO.
16. The CCT guidance has recently been updated to reflect the synergies between the WBFG Act, the Environment Act and new Planning legislation. As with the WBFG Act, the team will actively engage with relevant colleagues across Welsh Government to ensure WEFO is updated on any alterations or changes to legislation and policy.

### **Next Steps**

17. Future reports will highlight examples of how the Sustainable Development cross cutting theme is being integrated into operation activity

**Drafted by: Rhian Power-Battrick WEFO**

**Approved by: Rob Halford WEFO**

**Date: 20/01/17**

**Annex 1**

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

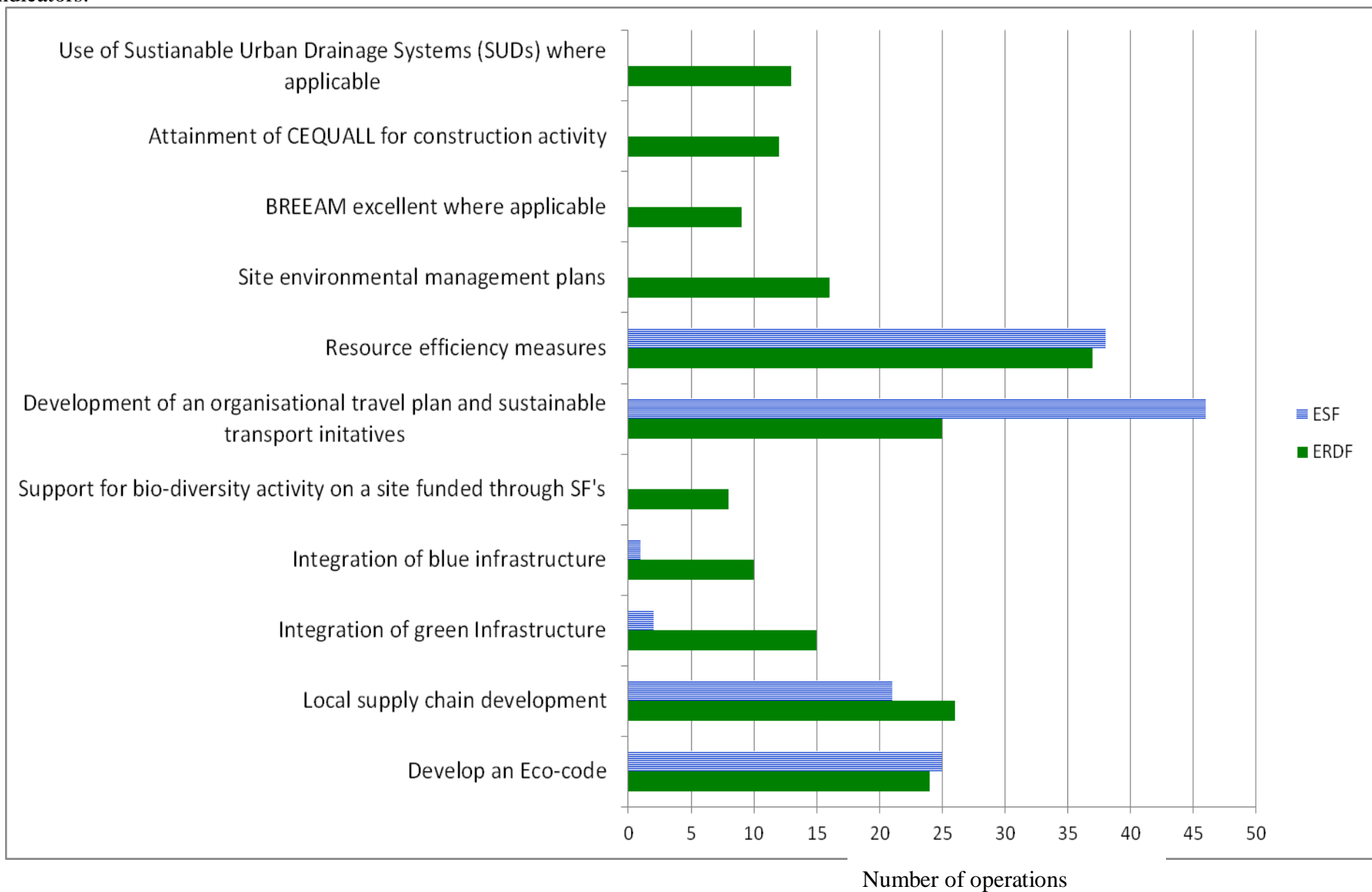
<b>Operation Title</b>	<b>Lead Beneficiary</b>	<b>Programme</b>	<b>Specific Objective</b>	<b>Project Forecast</b>	<b>Achieved to date</b>
Entrepreneurship Support - Business Wales (East Wales)	WG - Department for Economy, Science and Transport	East Wales ERDF	SO2.2	1,000	-
SME Support - Business Wales (East Wales)	WG - Department for Economy, Science and Transport	East Wales ERDF	SO2.4	3,250	-
Social Business Wales East Wales	Wales Co operative Centre	East Wales ERDF	SO2.4	50	-
Entrepreneurship Support - Business Wales (West Wales)	WG - Department for Economy, Science and Transport	West Wales and the Valleys ERDF	SO2.2	1,500	-
SME Support - Business Wales (West Wales and The Valleys)	WG - Department for Economy, Science and Transport	West Wales and the Valleys ERDF	SO2.4	4,800	-
Social Business Wales (West Wales and the Valleys)	Wales Co operative Centre	West Wales and the Valleys ERDF	SO2.4	200	10

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

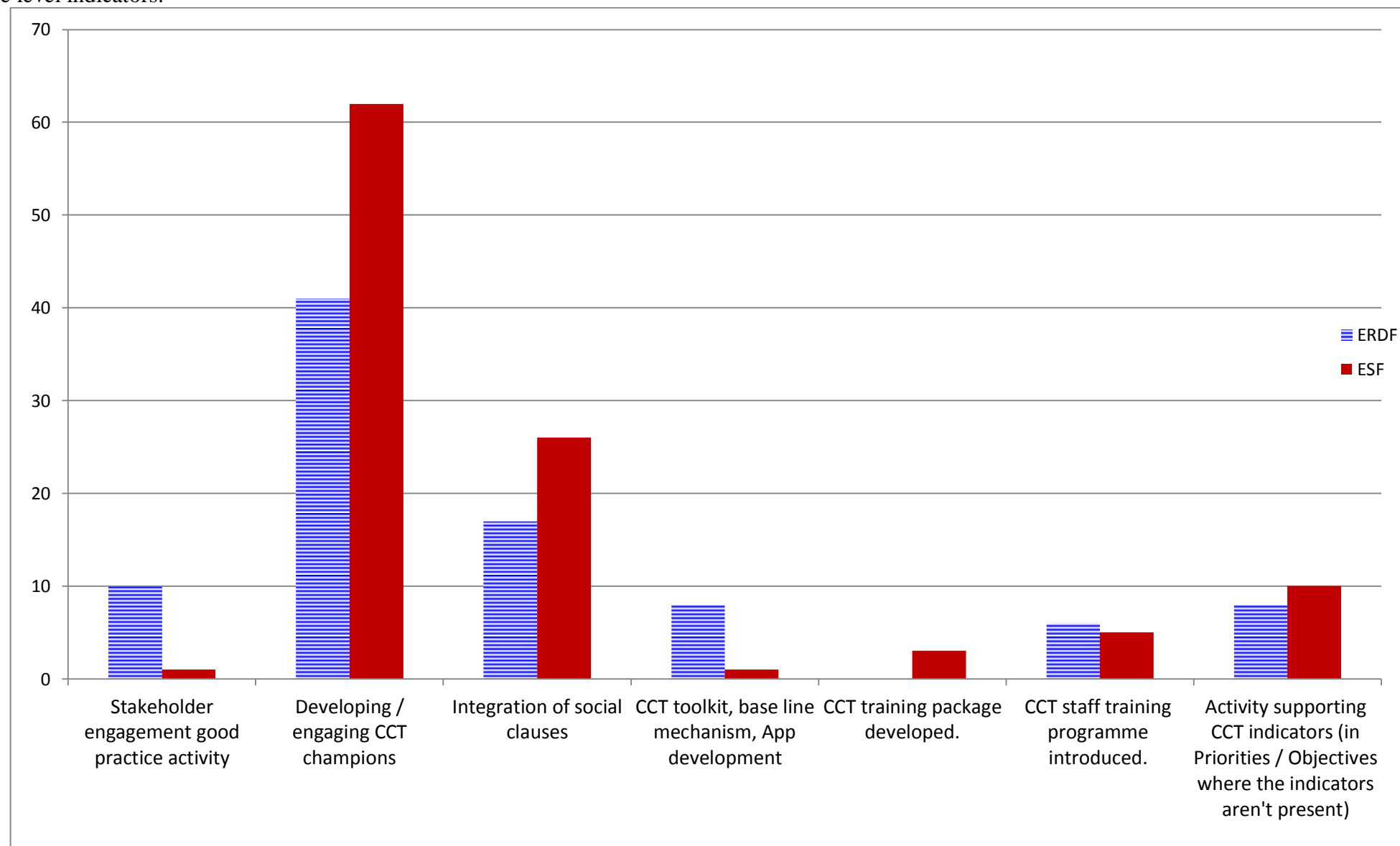
Operation Title	Lead Beneficiary	Programme	Specific Objective	Project Forecast	Achieved to date
Apprenticeships Skills Enhancement East Wales Programme I	WG - Department for Education and Skills	East Wales ESF	SO2.1	1	-
Skills for Employers and Employees EW SO1	Coleg Cambria	East Wales ESF	SO2.1	1	-
Apprenticeships East Wales	WG - Department for Education and Skills	East Wales ESF	SO2.2	1	-
Skills for Employers and Employees EW SO2	Coleg Cambria	East Wales ESF	SO2.2	1	1
North Wales Business Academy (NWBA) EW	Grwp Llandrillo-Menai	East Wales ESF	SO2.2	1	-
Traineeships East Wales	WG - Department for Education and Skills	East Wales ESF	SO3.1	1	-
Apprenticeships Skills Enhancement Programme I	WG - Department for Education and Skills	West Wales and the Valleys ESF	SO2.1	1	-
Skills for Industry 2 SO1	Gower College Swansea	West Wales and the Valleys ESF	SO2.1	1	-
Apprenticeships	WG - Department for Education and Skills	West Wales and the Valleys ESF	SO2.2	1	-
Skills for Employers and Employees WWV SO2	Coleg Cambria	West Wales and the Valleys ESF	SO2.2	1	1
Skills for Industry 2 SO 2	Gower College Swansea	West Wales and the Valleys ESF	SO2.2	1	-
North Wales Business Academy Project (NWBA) WWV	Grwp Llandrillo-Menai	West Wales and the Valleys ESF	SO2.2	1	-
Traineeships	WG - Department for Education and Skills	West Wales and the Valleys ESF	SO3.1	1	-

## Annex 2 -

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



The following graph demonstrates the level of commitment that operations have made to deliver activity contributing towards the general cross cutting theme case level indicators:



## Annex 3

PR and Media Tweets.

WEFO @wefowales · 2h

1/3 Do you know how EU projects in Wales are contributing to sustainable development, equal opps & tackling poverty?

[gov.wales/funding/eu-fun...](http://gov.wales/funding/eu-fun...)



WEFO @wefowales · 2h

2/3 Sustainability & minimising environmental impact were key elements in the design of the EU-funded @CUBRICcardiff

[bam.co.uk/how-we-do-it/c...](http://bam.co.uk/how-we-do-it/c...)



1



WEFO @wefowales · 2h

3/3 CUBRIC achieved @BRE\_BREEAM excellent status & incorporated environmentally-friendly green roofs into its design [bam.co.uk/how-we-do-it/c...](http://bam.co.uk/how-we-do-it/c...)







## Annex 4

### **Project Level Indicators :**

#### **Sustainable Development**

1. Develop an organisational Eco Code –
2. Local sustainable supply chain development
3. Integration of small scale Green infrastructure
4. Integration of small scale Blue infrastructure
5. Activity which is supporting bio-diversity on a site funded through SF's
6. Development of an organisational Travel Plan and sustainable transport initiatives
7. Resource efficiency measures
8. Site environmental management plans
9. BREEAM excellent where applicable
10. Attainment of CEQUALL for construction activity
11. Use of Sustainable Urban drainage Systems (SUDS) where applicable

#### **Equal Opportunities and Gender Mainstreaming**

1. Positive action measures supporting women
2. Positive action measures supporting BME people
3. Positive action measures supporting young people
4. Positive action measures supporting older workers
5. Positive action measures supporting disabled people
6. Positive action measures supporting other
7. Activities which challenge occupational segregation
8. Equal Pay activity
9. Activity supporting female participation in STEM
10. Activity promoting the Welsh language
11. Activity supporting speakers of the Welsh language.
12. Disability Access Group engagement
13. Workplace health programmes supported
14. Childcare provision
15. Other care provision

#### **Tackling Poverty and Social Exclusion**

1. Activity which builds skills within the community
2. Mentoring / advocacy activity
3. Peer support activity
4. Volunteering schemes
5. Organisations paying the living wage

#### **Cross Cutting Themes general**

1. Stakeholder engagement good practice activity
2. Developing / engaging CCT champions
3. Integrating Social Clauses into activity
4. CCT Toolkits, health checks, base lining mechanisms Apps etc.
5. CCT Training packages developed
6. CCT staff training programme introduced
7. Activity which contributes to the CCT formal indicators in priorities / objectives where they are not present.