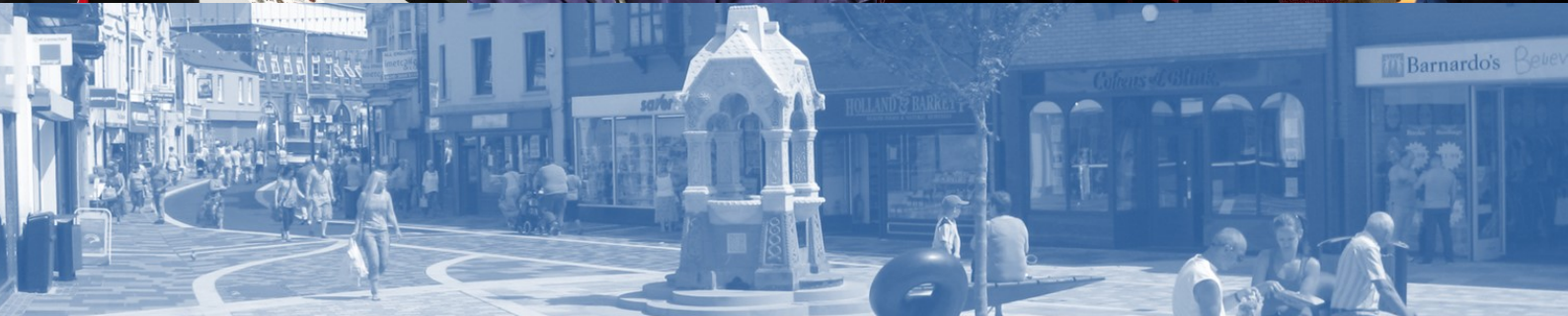




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# Operational Programme

## East Wales ESF

Version 2.0



UNDEB EWROPEAIDD  
EUROPEAN UNION



Llywodraeth Cymru  
Welsh Government

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## OPERATIONAL PROGRAMME UNDER THE 'INVESTMENT FOR GROWTH AND JOBS' GOAL

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# **1. STRATEGY FOR THE OPERATIONAL PROGRAMME'S CONTRIBUTION TO THE UNION STRATEGY FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND THE ACHIEVEMENT OF ECONOMIC, SOCIAL AND TERRITORIAL COHESION**

## **1.1 Strategy for the operational programme's contribution to the Union strategy for smart, sustainable and inclusive growth and to the achievement of economic, social and territorial cohesion**

1.1.1 Description of the programme's strategy for contributing to the delivery of the Union strategy for smart, sustainable and inclusive growth and for achieving economic, social and territorial cohesion.

### **Introduction**

1. The European Social Fund (ESF) programme strategy for East Wales (EW) sets out how the 2014-2020 ESF programmes will focus on supporting high quality, strategically aligned operations which operate in a cohesive and coordinated manner with wider domestic programmes.
2. A full Socio Economic Analysis has been undertaken to identify needs, challenges and opportunities across EW. This has been subject to ex-ante evaluation and represents a robust evidence base upon which this strategy is developed (as part of a suite of European Structural and Investment (ESI) fund programmes in Wales). This establishes the rationale for the investments across all the ESI fund programmes and will be published with the programme documents.
3. The Welsh Chapter of the UK Partnership Agreement sets out a strategy for the use of the ESI funds together to deliver a coordinated suite of investment programmes providing a summary of the analysis of disparities, needs and growth potentials across the Welsh economy and labour market. The UK Partnership Agreement specifically considers links to the UK Country Specific Recommendations and the Commission Position Paper on the UK for each of the main Thematic Objectives.
4. In relation to both the Treaty goals and the Europe 2020 (EU2020) goals it should be noted that the Welsh Government has placed sustainable development and equality as its central organising principles and they are also at the core of these programmes. This means all development needs to achieve an appropriate balance between economic, social and environmental outcomes, recognising that each is mutually reinforcing
5. **Needs and Opportunities in the EW Programme Area**
6. The Socio Economic and SWOT analyses that underpin this strategy identify a range of opportunities that can be exploited and challenges to be overcome if EW and Wales are to see economic growth and, through that, the creation of sustainable job opportunities for their people.
7. Prior to the 2007 economic downturn and subsequent recession, Wales and EW had begun to make clear progress in tackling some of their long-standing structural, economic challenges. Previous rounds of EU Structural Funds investments developed at a time of growth in the Welsh economy and labour market, made an important contribution to this enhanced position.

8. Whilst the economic downturn has impacted severely upon EW both in terms of output and unemployment, progress made in reducing gaps with the wider UK economy has not been lost entirely. Nonetheless, in preparing for a further round of Structural Fund programmes in 2014-2020, the current economic and labour market conditions in EW are very different from those existing at the same stage of preparations for previous programmes.
9. At the start of the new programme round in 2014, it is anticipated that the EW economy will not have recovered to its pre-recession state and that several labour market problems, such as high youth unemployment, a low skills mix and high numbers of workless households will remain.
10. EW covers an area of 7.650 km<sup>2</sup>, comprising 7 Local Authority areas. The 2011 census shows that the area has a population of some 1.1 million people, 51% of whom are female, 11% are disabled and 6% are ethnic minorities. In 2011, 31% of the population were under 25, 52% were 25-64 and 17% were 65 and over.
11. Population projections in Wales suggest the population will increase to 3.17 million in 2020 and to 3.31 million in 2035. Statistics do not exist at the EW programme level however trends are likely to be broadly similar to Wales level data. The main driver of population growth is considered to be net migration. Overall the number of children under 16 is projected to increase by 3% between 2012 and 2035. The 16-64 age group is likely to decrease by 3% with the over 65 age group projected to increase by 47% over the same period.
12. Gross Value Added (GVA) per head in EW between 2009 and 2011 was approximately £1,600 lower than GVA per head in the UK. This gap to the UK is largely down to lower value added per job (broadly speaking productivity), especially in Flintshire, Wrexham and Powys. The productivity gap is influenced by: an adverse industrial structure / mix; poor skills mix; a lack of agglomeration effects (where firms gain benefits from proximity to other firms or a large urban economy); and lower levels of capital.
13. Poverty and the consequences of poverty remain a challenge for Wales, particularly in the current economic environment and when set in the context of an EU2020 target of 20 million fewer people at risk of poverty across the EU. The 2014 UK Country Specific Recommendations (CSR) also identifies the importance of continuing efforts to reduce child poverty in low-income households. Latest figures (for the three years ending 2011/12) show that relative income poverty for working age adults (where a household is living on 60% or less of the UK median income, after housing costs) was slightly higher than ten years previously (23% and 22% respectively). In-work poverty also constitutes a greater proportion of those in relative income poverty than 10 years ago[1].
14. As recognised by the 2014 CSRs the UK Governments Welfare Reform Agenda and The Welfare Reform Act 2012, introduces the greatest changes to welfare benefits in 60 years. Although reform of welfare benefits is a non-devolved matter, the reforms are expected to have far reaching consequences with significant implications for devolved services, individuals and communities in Wales. A report by the Institute for Fiscal Studies and research from the Welsh Government suggest that the reforms will be largely regressive in Wales. The report suggests that impacts on people across the country will be negative, with a potential to increase poverty for those on low incomes and furthest from the labour market and groups with protected characteristics such as women, disabled people and black and ethnic minority groups (BME).[2]
15. The employment rate in EW for the 20-64 population was 74.2% in 2012, higher than the Wales average and equal to the UK average[3] and slightly below the



Europe 2020 target of 75%. The higher employment rate in EW partly accounted for the region's higher GVA per head relative to Wales. However there are a number of key demographic groups whose employment rates are significantly below the regional average, including female workers (64.8%), disabled (49.3%) and Black and Minority Ethnic (BME) groups (53.2%).

16. These disparities can also be seen in the unemployment data. Unemployment generally in EW in 2012 was 8% slightly lower than across Wales as a whole[4], with long term unemployment[5] for the same period at approximately 31.1% slightly below the Welsh average of 34.1%[6] but remaining a significant proportion of the unemployed in EW.. Youth unemployment (16-24) rose sharply following the economic downturn to 24.6% in 2012 and is higher than both the Wales and UK average[7]. Unemployment rates for disabled individuals were higher at 10.3% and higher still for BME groups at 13.7%. Interestingly for the female cohort unemployment at 7.2% was lower than the regional average however this could be explained by the higher than average economic inactivity rates amongst females in EW.
17. Inactivity rates (excluding students) have been declining in EW over the last decade, dropping to 19.4% in 2012. In 2012 inactivity rates in EW were highest amongst the disabled population (44%), BME groups (27.4%) and amongst females (25.5%). Long term illness at 32% (excluding students) is the single largest underlying factor of inactivity, looking after family / home accounted for 31%. Evidence also suggests that a significant proportion of those who are economically inactive have low or no skills (level 2 or below)[8].
18. The Socio Economic Analysis shows that the strength of the labour market varies significantly across EW depending on location and qualification level. Compared with 2001, the employment rate in 2012 was lower in four of EW's seven local authority areas. Relatively large declines were recorded in Powys, the Vale of Glamorgan, Cardiff and Newport. In EW employment rates for those with NQF level 4 and above remained constant at around 87%. In contrast, employment rates for those with low or no qualifications have declined to as low as 40.7%. This decline reflects an overall decline in the traditional low-skilled industries in Wales.
19. In 2012 18.5% of households in EW were workless compared to 18.1% in the UK. The UK itself has a higher proportion of children living in workless households than almost any other EU country. In the UK, of those households in poverty, 72% were classed as workless with one or more unemployed. Whilst figures do not exist for Wales or EW, it is reasonable to assume that a similar pattern holds true. In EW in 2012, 18.6% of unemployed individuals and 47% of economically inactive individuals were from a workless household[9]. Evidence shows that there is a close correlation between worklessness and poverty. The 2014 UK CSRs recognise the importance of reducing child poverty in low-income households. Poverty has a negative correlation with educational attainment and skills. Children from poorer or disadvantaged backgrounds and whose mothers have no qualifications have lower educational and occupational outcomes than other children.
20. Pockets of severe deprivation also exist in EW. For example the Welsh Index of Multiple Deprivation (WIMD, 2011) shows that there are 62 areas in East Wales which fall within the top 10% most deprived areas of Wales, 37% of the 'top 10 most deprived' group. Particular concentrations of deprivation exist within city wards in Cardiff and Newport;[10] a statistic which is significant as

approximately 60% of the population of EW is located within these two cities[11].

21. Employment policy in Wales is a non devolved competence and is the responsibility of the UK Government. The Welsh Government provides a supportive policy context to target areas where it can complement and add value to mainstream provision. Supporting people into work is seen as a critical solution to reducing poverty in Wales. The Tackling Poverty Action plan and the Child Poverty Strategy in Wales are two key documents which outline the Welsh Governments approach to support individuals to access sustainable employment with simplification and integration of programmes the main underlying principles.
22. The impact of the recession coupled with persistent pockets of severe deprivation, along with the potential impact of UK welfare reforms, act to reinforce poor labour market outcomes within specific areas of EW.
23. The 2014 UK CSRs make reference to the importance of addressing skills mismatches and increasing provision of more advanced and higher level skills. However, of those working age adults in employment in Wales, the most recent figures show that 6.9% of working age adults in employment have no qualifications at all, 14.1% have below NQF level 2 qualifications, 21.7% have qualifications at NQF level 2, while 57.3% are qualified to NQF level 3 or above and 37.2% are qualified to NQF level 4 and above.
24. The qualifications profile of the workforce in EW has improved in recent years, and is on average slightly stronger than the UK. In comparison to UK figures, the proportion of working age adults qualified to NQF level 4 and above in EW is slightly higher at 37.1% reflecting the area's relative competitiveness when compared to Wales as a whole. While the proportion of working age adults with no qualifications is slightly lower in EW than the UK, at 8.5%, there remain a notable number of people in the programme area with no qualifications or with qualifications below NQF level 2 (22%).
25. It is important to note that measurable gains have been made in these areas since 2001, with an increase of 11.9% in the proportion qualified to NQF4 and above and a reduction of 10.6% in the proportion of those with no qualifications. Gains have also been made at the intermediate level. Opportunities now exist to further invest in skills to consolidate progress made and to maintain and enhance the competitiveness of the area; the Socio Economic Analysis highlights the importance of both maintaining and improving the skills profile of the workforce in EW due to the relationship between skills and productivity and the continued GVA gap with the UK.
26. EW performs well against the EU2020 target for at least 40% of 30-34 year olds to have completed a tertiary or equivalent education. In EW in 2012 49.4% 30-34 year olds had completed a tertiary or equivalent education, significantly above the EU average of 33%. However, opportunities exist in EW to further invest in skills to support Wales and the European Union to exceed this target and drive the competitiveness of the region.
27. Although current demand for skilled individuals is relatively weak across the UK, the labour market demand for employees with higher skills is projected to grow as more high skilled jobs are created within the economy, as recognised by the 2014 UK CSRs. The fastest declining occupational groups are clustered around NQF Level 2 and below; in 2000, around one third of jobs were held by people with no or low level qualifications but by 2020 this figure is projected to fall to just over one fifth.[12] Meanwhile, intermediate and higher level occupations account for

the largest share of employment in the Welsh economy and are expected to be the main source of future jobs growth, with the fastest growing occupational groups requiring skills at NQF Levels 3, 4 and above

28. By 2020, more than two-fifths of jobs are expected to be held by people with higher level qualifications (level 4 and above).[13] Wales also has a large concentration of employment at an intermediate level and intermediate occupations are projected to contribute more than one third of future job openings.[14] Increasing the labour market relevance of education and training will be a key challenge for all the ESI funds as will be the use of labour market intelligence (LMI) to inform investments.
29. Supporting the development of our young people will impact on a number of the key EU2020 targets centred on increasing employment, tackling poverty and social exclusion and reducing early school leaving, as well as directly contributing to the 2014 UK CSRs to improve skills to meet employer needs and to reduce the number of young people with low basic skills. With early school leaving in Wales at 16.9 % in 2012, and with EW at 16.0%, a focus on youth which supports attainment and transition through education and into employment will be vital in achieving the EU2020 target of less than 10%.
30. Previous data above shows the high levels of youth unemployment in EW compared to unemployment generally above. Young people are finding it harder to access work and move from education into employment in a highly competitive labour market which is becoming more congested as people work later in life. These same pressures also impact on those furthest from the labour market and the economically inactive who are trying to get back to sustainable employment.
31. Competition in the labour market puts a sharper focus on the need to address the issues of those who are NEET (Not in Employment, Education or Training), or at risk of becoming NEET, to increase attainment levels, reduce early school leaving and prevent further disadvantage. The most recent estimates for EW puts the NEET rate (16-24) at 15.5%[15]. This competition also compounds the issues for those who are disabled or disadvantaged in seeking to return to or retain employment.
32. Early School Leaving (ESL) rates in both Wales at 16.9% and EW at 16.0% are above the EU average and significantly higher than the EU2020 target. Education attainment levels of 15 year olds as measured by PISA are also lower in Wales than the rest of the UK and significantly below the OECD average[16]. Level 2 examination results[17] at age 16 in EW (50.4%) were on average higher than Wales (48.7%), however this was not consistent across all Local Authorities with areas in the South East below the Welsh average.
33. In Wales the number of 19-24 year olds who are NEET in 2012 markedly increased to 23% following the 2008 recession[18]. However, the proportion of 16-18 year olds who are NEET has remained fairly constant at a rate of between 10-13% over the years 1996 to 2012. This would indicate that non-engagement for the 16-18 cohort is a structural and persistent issue which is present through all economic conditions. This illustrates a need to target specific tailored early interventions at addressing the requirements of this cohort particularly at those pre 16 who are at greatest risk of becoming NEET
34. For those who are NEET particular attention should be given, in line with the 2014 UK CSR's, to providing NEETs with higher and more relevant skills and key competences to improve employability and tackle barriers to employment. In Wales 21% of 16-18 year old NEETs have no qualifications and 26% of 19-24

year old NEETs are without qualifications[19]. The proportion of young people who are NEET is higher amongst those with a disability with 60% of 16-18 year old NEETs classed as unemployed and 20% as inactive due to sickness or disability, family or caring responsibilities[20]. Among 19-24 year old NEETs nearly 60% were considered to be economically inactive, mainly due to sickness, disability and family or caring responsibilities[21]. Other barriers to employment cited by young people who are NEET are a lack of work experience and a lack of self confidence.

35. Supporting the development of our young people to shape their futures through better use of LMI offers an opportunity, not only to support future growth and prosperity but to positively reinforce choices based on areas of employment growth and employer demand. There are also opportunities to positively reinforce choices and actions which help to break down traditional gender stereotypes in employment and learning and broaden horizons for non traditional job roles or employment sectors.
36. The Programme for Government[22] identifies the big long term challenges for tackling youth unemployment and attainment. There are a number of key relevant Welsh Government policy documents which sit under this and include; the Youth Engagement and Progression Framework[23], which has been developed around the needs of young people, strengthening the accountability of different agencies in the system for delivering better outcomes for young people; and, the Building a Brighter Future: An Early Years and Childcare Plan[24] which sets out the Welsh Government commitment to improve the life chances and outcomes of all children in Wales over the next 10 years.
37. The Youth Engagement and Progression Framework also includes a Welsh Government commitment to introduce a guarantee to a place in education or training for young people leaving compulsory education for the first time. The Welsh Government Youth Guarantee[25] is the “offer, acceptance and commencement of a suitable place in education or training for a young person making the first time transition from compulsory education at age 16” and contributes directly to the 2014 UK CSRs to improve the skills of young people to meet employer needs and to reduce the number of young people with low basic skills. The Welsh Government Youth Guarantee is along lines that are the same as, or very similar to, the kind of measures suggested in the Council Recommendation on Establishing a Youth Guarantee.
38. Within the labour market, women continue to be underrepresented in senior positions and in growth sectors, particularly where STEM subjects are required. Only 23.3% of employed women are employed in “Managers and senior officials” occupations, while only 35.4% of those who are classified as “Managers and senior officials” are women.
39. There are several issues influencing the position of women in the workforce in EW.[26] For example, women have a higher propensity to be in part-time employment than men even though women on average are better qualified than men. In addition, despite a stronger qualifications profile, women are under-represented in higher paying jobs and over-represented in the public sector, where employment opportunities are diminishing.
40. The circumstances that generate these outcomes for women are complex and span social, cultural and economic spheres. In 2012, of the 5.9 million women working part-time in the UK, approximately 75% said they did not want a full-time job compared with approximately 40% for men[27]. In Wales, the incidence of part-time working is similar to the UK and the gender split is also very similar (43.1%

- of women in Wales work part time, as compared to 43.4% at a UK level, while the equivalent figures for men are 13.7% in Wales and 13.4% in the UK).
41. Data showing the proportion of women working part-time who do not want a full-time job is not available for Wales. However, the proportion of people working part-time in 2012 who did not want a full-time job in Wales was 67%; very similar to the UK where it was 65%. It is therefore reasonable to assume that the proportion of women working part-time who do not want a full-time job in Wales is similar to the UK too.
  42. In 2012, women earned on average £479 per week in EW compared with £578 per week for men. Female earnings as a proportion of male earnings are 83%, slightly lower than in Wales on average. Female average gross weekly earnings in Wales are lower than male earnings in all major occupational groups, although this disparity is not as marked in Wales as it is in the rest of the UK, perhaps reflecting the greater proportion of employment in the public sector. In the private sector female earnings are 78% of male earnings in Wales, close to the UK ratio of 76%. These figures however report weekly earnings irrespective of working patterns, making no allowance for the higher proportion of women working part-time.
  43. **Strategy for ESF in EW**
  44. This strategy will be delivered as part of an integrated approach to the delivery of ESI Funds across Wales and will support the aims of the Welsh Government's Programme for Government and the European Union strategy for Smart, Sustainable and Inclusive Growth (EU2020). This approach recognises that the most effective way to create the conditions which would lead to a significant, positive movement in GVA is through coordinated, integrated and focussed action with Government, in all its forms, working with both the private and third sectors across Wales.
  45. As outlined in the Partnership Agreement, in order to produce a transformational effect in relation to jobs and growth the Welsh Government will look to maximise the impact of all European Funding streams, encouraging the development of schemes and projects which ensure each is a part of a coordinated portfolio of investments. Integrated action will be possible to support communities across Wales, including rural and coastal communities, to utilise ESI funds to develop workforce skills to take advantage of growth opportunities, address emerging economic challenges and diversify into new markets.
  46. Wales will be pursuing a more concentrated and integrated approach in the 2014-20 round of programmes which will help to foster cooperation and coordination between funds. The linkages between the ESF investments and other European Funding streams (including across ESF Programmes) are set out in more detail later within each priority area, as is the integration approach. Links to other EU funding instruments also expected to be made on a project-by-project basis.
  47. In support of the joint programming approach a strict approach to demarcation has been avoided for 2014-2020 programmes. This approach means that, where state aid allows, farmers and fishermen will be able to access ESF to support efforts to up-skill or re-skill, particularly where this can support actions to take advantage of emerging opportunities such as those in support of climate change actions and green growth. This approach also reflects the interrelationships in Wales of the Rural, Coastal and Urban economies.
  48. The EW ESF programme recognises that, if there is to be genuine and transformational change in our economy and labour market, there is a need for devolved and non-devolved measures to link and add value in the targeting of

deep seated problems. Interventions will respond to the needs of employers, utilising Labour Market Intelligence (LMI)[28] to ensure interventions achieve the required sustainable employment outcomes and the skills interventions that support our future workforce.

49. A suite of guidance documents, including an Economic Prioritisation Framework (EPF), will be used to drive synergy between ESI Funds and wider investments in the Welsh economy. Alongside LMI these documents will enable ESF investments to align with areas of economic growth and opportunity and interact, as part of a wider investment context, to ensure that the investments in people can deliver the skills and workforce that the economy will need.
50. The EPF seeks to capture the wider investments and key economic opportunities of relevance to the ESI funds taking place in the Welsh economy to support these funds to add value to those wider investments, avoid duplication and build on existing assets. There are a number of key economic areas of opportunity, particularly in the area of skills and workforce supply and development, where ESF will underpin a number of investments across Wales.
51. These are explored in greater detail in the EPF but would include; investments in energy and supporting the transition to a low carbon and energy efficient economy; climate change and resource efficiency including protection and strategic management of resources (which could include supporting agriculture and aquaculture to address issues of food security and climate change); active participation in the digital economy and opportunities of the digital marketplace; advanced manufacturing and the development of expertise in waste, recycling and reuse, remanufacturing, emissions, resource use (including water and energy), and resource resilience (scarce metals); Life Sciences and Health; and, Tourism, Recreation and Leisure.
52. It will be possible through linkages to these key economic growth areas and wider investments across the ESI funds to ensure ESF investments also support wider efforts to address those EU2020 targets which are not directly linked to ESF activity. Skills and employment provision through ESF can, for example, help to underpin actions towards the EU2020 targets of a reduction of Greenhouse gas emissions by 20% and increased shares of renewables in final energy consumption to 20%.
53. For those areas which cover non-devolved competencies such as Employment and Welfare, close working relationships have been developed between the Managing Authority and both the Welsh Government and the UK Government to ensure that ESF interventions are able to demonstrate added value and complementarity with mainstream provision. The selection of the relevant Thematic Objectives and Investment Priorities (specifically where complementarities can exist with access to employment) reflects this additionality approach and is addressed in further detail in the relevant priorities. Section 8 further outlines the mechanisms at a Welsh Government and UK government level to manage the integration of actions in these areas.
54. **Vision for the ESI Fund programmes in Wales**
55. The **Welsh Government's vision**, as set out in the Welsh Chapter of the UK Partnership Agreement, is that ESI Funds, aligned with the Programme for Government, will help Wales become **a confident, entrepreneurial and ambitious nation, prospering from sustainable economic growth.**
56. **EW ESF Programme Aims and Objectives**
57. The following outline the ESF programme aims and objectives for EW and form the basis of the Priority Axis approach adopted within the programme and the

Specific Objectives within each Priority Axis. In pursuing these aims and objectives, the programme will ensure that the benefits of economic growth are genuinely accessible to all and not rely solely on 'trickle down' effects which would risk creating inequalities. The pursuit of economic growth must also not have any adverse effect on the environment or society more widely.

58. **Aims**

- To tackle poverty and social exclusion by increasing labour market participation and helping people to access sustainable employment;
- To invest in skills as a driver of productivity and growth, to aid progression within employment and improve the skills mix and diversity of our workforce; and
- To invest in our young people to create a vibrant and responsive future workforce with the skills needed to respond to the needs of a challenging knowledge based economy.

59. **Objectives**

- To reduce poverty by increasing employment levels, particularly for underrepresented groups and those furthest from the labour market;
  - To increase skills levels of the workforce, increasing the number of people qualified to intermediate level or above and reducing the number of people with no skills or basic skills only;
  - To increase youth employment and attainment, thereby reducing poverty and disadvantage in our young people; and
  - To reduce inequalities in the labour market amongst women and recognised equality groups.
60. Built around a Priority Axis approach, the EW ESF programmes will provide a balanced approach which underpins economic growth, further developing the competitiveness of EW and supporting those individuals at greatest need and at risk of disadvantage or discrimination. Actions will be focused on a limited number of Investment Priorities within each Thematic Objective to ensure that the ESF programmes are able to provide the concentration and focus which the regulations require and which will deliver the greatest impact.
61. The ESF programme in EW will deliver a coherent programme of actions that enable economic growth through promoting high levels of sustainable employment and developing a skilled and responsive Welsh workforce now and for the future. It will focus on three key areas: targeting poverty and social exclusion through promoting sustainable employment, investing in a skilled workforce and investing in our young people to ensure that they have the skills and opportunities to achieve sustainable employment.
62. The programme will facilitate the development of a balanced portfolio of investments targeting shorter-term issues through securing improvements against key indicators such as employment outcomes and qualifications, whilst also seeking to achieve longer term outcomes such as addressing structural issues on youth unemployment and NEETs.
63. **Priority Axes for EW**
64. The EW ESF programme has been developed around three interrelated Priority Axes which will deliver complementary action in support of the overall aims and objectives of the ESF programmes in Wales:
- **Tackling Poverty through Sustainable Employment;**
  - **Skills for Growth; and**
  - **Youth Employment**

65. Modifications of the programmes in 2018 saw proposals for the introduction of a new Priority Axis for '**Public services reform and regional working**'. The intention is for the Priority will focus on addressing capacity constraints and barriers to working collaboratively across the public sector, with a particular emphasis on regional working. This is expected to build on the experiences during 2007-2013, moving successful arrangements to a new footing, aligned with the Welsh Government's regionalisation agenda. For example the 2007-2013 programmes helped establish regional skills partnerships, which could be supported to evolve into a more regionally integrated mode.
66. The **Tackling Poverty through Sustainable Employment** Priority Axis will aim to support efforts to tackle poverty and social exclusion in EW. In line with the Welsh Government's Tackling Poverty Action Plan; this will be achieved by supporting key target groups to increase employability and achieve sustained employment.
67. In Wales poverty is defined as '*A long-term state of not having sufficient resources to afford food, reasonable living conditions or amenities, or to participate in activities (such as access to attractive neighbourhoods and open spaces) that are taken for granted by others in society*'. The Welsh Government, in the Programme for Government and the Tackling Poverty Action Plan, has a cross governmental commitment to tackling poverty and social exclusion and fully endorses the EU focus on poverty, linking into the CSR to continue efforts to reduce child poverty in low-income households. The introduction of a Tackling Poverty cross-cutting theme will reinforce this and ensure that this focus is reflected across all ESI funds.
68. Investments within this Priority Axis will focus on participants who are furthest from the labour market[29], living in or at risk of persistent poverty and prolonged worklessness. This focus recognises the pockets of economic inactivity and unemployment that exist within the largely positive employment indicators and will complement the mainstream adult employment services at a UK level. The broader longer term impacts of the interventions will be to support the overall Welsh Government approach to tackling poverty and to contribute to the reduction in unemployment or economic inactivity rates across Wales.
69. The Priority will also support the effective transition into stable and sustainable work. This additional support could include continuing with mentoring support for a limited period or helping with the costs of barriers such as child care, travel, equipment or clothing. This support for participants entering employment or self-employment will better support participants during the critical first 9 months of a new job in order to avoid individuals moving repeatedly in and out of work due to lack of transitional support.
70. Previous experience has shown that clearly targeted and tailored support based on individual client needs have been particularly effective at achieving employment outcomes for individuals. Outreach, co-location and partnership working is important to this and help to provide clearer pathways for beneficiaries to progress through complementary provision and into employment. Particularly effective in this area are operations which have clear mechanisms for progressing individuals towards employment as part of a portfolio of activities which span the supported employment ladder; from soft outreach and engagement activities; through to work experience, skills training and job search as well as job retention provision.
71. Investments will help individuals to overcome the complex and multi-causal barriers they face in moving closer to re-engaging with the labour market,



accessing sustained employment and realising the opportunities employment can bring in tackling poverty. Delivered as part of wider strategies to address worklessness, poverty and disadvantaged communities, interventions will be integrated and personalised, focused on the needs of the individual in both the methods of engagement and delivery and structured in a method that avoids the need for an individual facing multiple or complex barriers to access a complex configuration of separate interventions.

72. Due to the increased competition in accessing employment, especially for those most disadvantaged, LMI linking economic growth and employment opportunities to employability interventions will be key to ensuring sustainable employment outcomes.
73. Both the 2014 Country Specific Recommendations and the Commission's Position Paper for the UK recognise the need for coordinated action to address the challenges of poverty, inclusive of continuing efforts to reduce child poverty in low-income households, improving the availability of affordable, quality childcare and increasing employment to progress the achievement of this aim. With a direct link to the Flagship Initiative, *The EU Platform Against Poverty*, the approach above is in line with Commission requirements for a minimum focus on tackling poverty and social exclusion through ESF and will deliver to the EU2020 target of 20 million fewer people in poverty. Getting people into stable jobs is also seen as an important factor in achieving the European employment target of 75% employment. The UK National Reform Programme highlights that barriers remain to inclusive employment and that in Wales employment is seen as the best route out of poverty.
74. Actions under the **Skills for Growth** Priority Axis will deliver a demand-led approach to identify and address key skills gaps and shortages amongst those who are in work, utilising LMI to respond to identified need and demand from employers and focused on specific target groups. Investing in skills aligned with growth activity and ensuring that employers have a suitably qualified workforce for sustainable economic development continues to be a key driver in the development of a modern knowledge-based economy and in helping economies to respond and adapt to economic changes a fact which is recognised by the 2014 CSRs.
75. Previous experience has shown that tailoring provision to specific target groups, such as the low skilled or older workers, is a significant factor which could further enhance the reach, and therefore impact of ESF supported skills activities.[30] Delivering qualifications that are recognised by employers is also a key benefit, providing increased job security for the low skilled. Research also indicates that ESF funded skills provision should be viewed as part of an integrated and ongoing approach to lifelong learning and continuous professional development, which recognises the specific needs the target groups and the labour market position of participants.[31] Actions will therefore be designed to respond to the specific needs of employers and specific target groups, enabling progression from basic or low skills, through to intermediate skills or higher.
76. The 2011 ESF Leavers Survey[32] found that, following their participation in an ESF operation, the majority of respondents reported improvements in job satisfaction, future pay and promotion prospects and opportunities for training. Moreover, approximately 20% of respondents who were employed in a different job from that held prior to their participation in an ESF operation reported that the ESF activity was vital to them gaining their current employment.

77. There is a direct correlation between skills levels and poverty, with those with higher skills being less affected by the recession and benefiting from increased labour market mobility.[33] The Socio Economic Analysis shows that people with higher skills levels have a higher propensity to be in employment than people with low skill levels or no qualifications. It also shows that, while EW performs well in terms of the proportion of working age adults with higher skills, a large proportion of its population continue to have low or no skills, a significant contributing factor to the continued GVA lag with the UK.
78. This insulation effect of higher level skills on employment rates during periods of recession and labour market uncertainty emphasises the importance of skills in achieving and maintaining sustained employment[34], as well as enhancing employer adaptability, improving workers abilities and effectiveness in the workplace[35] and enabling lower-skilled, lower paid employees to progress in employment and increase their income levels[36]. With the programme period more likely than not to cover a period of economic uncertainty, it is arguably more important than ever that the insulation effect is available to those who need it most, so as to maintain (at least) or improve (at best) the EW employment rate through an uncertain economic landscape.
79. Basic and essential skills therefore remain a priority, with actions encouraging and supporting skills progression up to intermediate level to maximise the benefits skills can have on addressing in-work poverty as part of the wider approach to tackling poverty within the ESF programme.
80. A balance will be struck between basic and essential skills provision, including apprenticeships, which can help to bridge the productivity gap with the UK and actions to deliver intermediate and higher level technical and job specific vocational qualifications (including apprenticeships) which can increase competitiveness, as referenced by the 2014 CSRs.
81. Higher levels of qualification are associated with higher levels of employment, and higher wages[37]. Apprenticeships can have some of the largest long term impacts on earnings and employability[38], estimated between £48,000 and £74,000 in additional lifetime earnings[39] with Net Present Value per achievement twice that of similar level NVQ[40]. Higher education qualifications are also among the best paying of all qualifications and the return in the UK is higher than in many other countries. The wage premium for holding a degree is estimated to be almost 25% more than for 2 or more A levels, providing additional net lifetime earnings of nearly £130,000 on average.
82. The ESF programme will therefore support intermediate and higher level technical and job specific vocational qualifications which are responsive to the needs of business, support organisational growth and adaptability and increase the competencies of the workforce, including High Performance Working (HPW). Such skills can be a driver for economic growth, supporting the development of a better skilled and qualified workforce which will equip enterprises with the capability to respond with greater agility to long term challenges such as emerging markets or economic change, as well as improving staff retention and motivation and increasing productivity.
83. Higher level skills can be a driver for economic growth and productivity and can provide additional wage premiums. Evidence suggests that there is a direct correlation between skills levels and poverty. Those with higher skills have been less affected by the recession and have found it easier to move around the labour market. The insulation effect of higher level skills on employment rates during

periods of recession and labour market uncertainty emphasises the importance of skills in achieving and maintaining sustained employment.

84. Actions will encourage and support skills progression up to and beyond intermediate level, particularly for those with low or no skills, to maximise the benefits skills can have on supporting in-work poverty as part of the wider approach to tackling poverty within the programmes.
85. There will be a specific focus on promoting gender equality in employment and improving the position of women in the workforce. We will invest in actions which facilitate and promote career advancement and which provide women with increased job security and increased pay, as well as facilitating the provision of more flexible working practices and solutions which can assist women to progress their career while recognising care or childcare responsibilities, in line with the objectives of the UK 2014 CSRs.
86. EU2020 covers a number of key target areas relating to education, training and lifelong learning which this Priority Axis will support. This investment area has a clear link to inclusive growth with a direct link to the Flagship Initiative *New Skills for New Jobs*. Addressing skills shortages and mismatches and increasing advanced and higher level skills provision to meet the needs of employers and move to a higher skilled economy, thereby tackling high levels of individuals with poor basic skill levels and increasing the numbers attaining intermediate skills or above are priorities within the UK Country Specific Recommendations, the Common Strategic Framework and the EC Position Paper for the UK. Along with the National Reform programme the County Specific Recommendations also highlights a focus on apprenticeships in delivering growth friendly investments.
87. Actions within the **Youth Employment** Priority Axis will look to invest in interventions which address the high levels of youth unemployment in EW whilst also investing in longer term solutions to help drive attainment and employment outcomes for those at highest risk of becoming NEET.
88. The recent economic downturn has had a disproportionate effect on our young people and on youth unemployment, which is higher in EW than Wales and WWV[41]. Addressing this will be the main focus of this priority, providing our unemployed young people with the skills and competencies required to access and maintain sustainable employment in an increasing competitive labour market.
89. Experience from the 2007-2013 Programmes showed that ESF support to young people enabled many operations to develop innovative approaches to supporting young people, extending and enhancing existing provision to be more responsive to their needs. Partnership approaches were seen to be important, and significant successes were experienced where these involved partners from across a number of service areas including Local Authorities, the Emergency services and wider Youth service providers.
90. One of the key lessons learned was a need for early and consistent identification mechanisms for those who are most at risk of becoming NEET especially those who had multiple needs, or fell into gaps in existing services as they made transitions between schools, colleges, and adult services. Effective shared systems which monitor and identify children and young people's needs and which can support effect evaluation of service delivery both through ESF and wider interventions were also seen as key to delivering results.
91. The social economic analysis has shown that in EW pockets of severe deprivation exist and this is the same for youth unemployment and specifically issues of NEET. In addition to supporting those who are NEET post 16 to access training and employment this Priority Axis will target those pre 16 who are at highest risk

of becoming NEET. The programme will invest in preventative and remedial actions to tackle the needs of these young people, with an unequivocal focus on improving employability and access to sustainable employment and improving their longer term life chances.

92. A combined investment approach focused on those young people from 11-24 who are at highest risk of becoming NEET will deliver support in two key thematic areas. This approach will ensure that we are able to support our young people through their progression and through key transition points in education and on into work. In the context of the youth guarantee, ESF investments in this Priority Axis will work alongside actions to support apprenticeships in the Skills for Growth Priority Axis to help deliver and add value to the Welsh Government Youth Guarantee. Actions will enhance support mechanisms to access a good-quality job traineeship, or continued education for those beyond the first time transition from compulsory education, aligning to the Country Specific Recommendation to improve the skills of young people to meet employer needs, including through apprenticeships and reducing the number of young people with low basic skills.
93. Action will also be taken to support those young people aged 11-24 at most risk of becoming NEET to reduce the risk of disengagement and increase attainment levels. Actions to address risk of NEET will be centred on the Welsh Government Youth Engagement and Progression Framework and more specifically the Early Identification and Tracking Systems which will help to ensure the accurate and systematic identification and tracking of those young people at greatest risk of disengaging from education, employment and training. This targeted approach will ensure ESF provision works as part of wider Welsh Government efforts to tackle the more structural issues of NEET which persist through all economic circumstances.
94. With access to the labour market as the main driver, and through utilising LMI and future employment demand, the ESF programmes will also work to combat disaffection and to reduce the risk of young people becoming NEET, increasing skills and educational attainment amongst our young people, addressing areas such as early school leaving and skills development and attainment of qualifications. Actions being taken forward in the Skills for Growth Priority Axis, such as apprenticeships, will therefore complement the actions being taken forward in this Priority Axis.
95. The European Commission, through its Country Specific Recommendations, the UK Position Paper, the Common Strategic Framework and the UK National Reform Programme all highlight the challenges in addressing the high levels of youth unemployment and poor youth attainment. The recommendations recognise the importance of supporting young people to achieve improved skills outcomes, in line with employer needs and to improve access to higher quality training and employment opportunities. This investment area has a clear link to initiatives under Smart Growth including the *Youth on the Move* Flagship Initiative but also will impact on targets under Inclusive Growth. The EU2020 targets to reduce the rates of early school leaving to below 10% and to increase the employment rate to 75% are likely to be the main targets impacted but additionally efforts within this priority area can also support the targets on poverty reduction and in the longer term on the rate of individuals with tertiary level education.
96. Underpinning the ESF programmes and the priorities above, indeed all ESI Fund programmes in Wales, will be three Cross Cutting Themes (CCT), Equal

Opportunities, Sustainable Development and Tackling Poverty and Social Exclusion.

97. The first two of these themes are mandatory and are governed by the EU General Regulations, Article 7 Promotion of equality between men and women and non-discrimination (in Wales this includes the Welsh Language) and Article 8 Sustainable Development and are detailed in Section 11. In addition, Tackling Poverty and Social Exclusion has been proposed as an additional CCT in line with the EU Platform against Poverty and Social Exclusion (Europe 2020 Flagship Initiative) and as a key commitment of the Welsh Government through its Tackling Poverty Action Plan. Further detail on the Tackling Poverty CCT is in Section 5.
98. The CCT's require action in multiple fields and as such will be integrated into all areas of the ESF programmes. Wales has a good record of integrating the CCT's into the European programmes and has been commended by the EU Commission for the work done in this area. The aim of the CCT's is to improve the quality and the legacy from each project and to add value to the programmes as a whole. However it will also be possible to use the CCT approach to focus operations on opportunities which may emerge as a result of the combined focus across the ESI Funds and Welsh Government on these areas.
99. For example in considering Sustainable Development, operations will not only be able to assess the likely impact of the operation itself but also consider opportunities available as a result of the wider Sustainable Development ambitions. These might include areas of employment growth through the creation of green jobs or skills demand as a result of the shift towards a low carbon economy. Equally the Equal Opportunities CCT might also encourage operations to consider supporting access to non traditional areas of employment where imbalances such as gender might exist in the workforce.
100. The intention is to build on the work already carried out and move the agenda forward for the 2014-2020 programmes and ensure equality; sustainability and tackling poverty are at the centre of the overall aims of the programmes. Specific guidance on the implementation of the CCT's will be developed. This will set out the contribution expected from the programmes, guidance for project sponsors on how to consider specific issues in project design, monitoring and evaluation processes, and support mechanisms available.
101. The EW ESF programme, as part of the overall investment approach for ESF and ESI fund programmes in Wales, will invest to deliver **economic, social and territorial cohesion** across Wales. ESF in EW will enhance the competitiveness of the region and continue to reduce the gap with the higher performing regions primarily through investing in skills to improve productivity. The EW ESF programme will also provide a balanced investment approach to increase employment, tackle poverty and address the needs of the most disadvantaged to support Social Cohesion. The EW ESF programme will integrate investments as part of wider ESI investment programmes in the region and across Wales, recognising the value of connectivity between the regions and the contribution that economic growth and social development can bring to developing the economy of Wales as a whole.
102. When spending ESI funds by means of public contracts/concessions, the Managing Authority – and any Intermediate Body where applicable – will require beneficiaries to fully respect EU public procurement rules and in particular (i) Directives 2004/18/EC and 2004/17/EC, (ii) Directives 2014/23/EU, 2014/24/EU and 2014/25/EU once transposed into United Kingdom legislation,

(iii) Directives 89/665/EEC and 92/13/EEC and (iv) the general public procurement principles derived from the Treaty on the Functioning of the EU. Applicants and beneficiaries will be informed of this fundamental requirement via grant award agreements and national eligibility rules and guidance documents, supplemented by training and support where needed.

[1] Joseph Rowntree Foundation (2013); *Monitoring Poverty and Social Exclusion in Wales 2013*

[2] Adams, S & Phillips, D Institute for Fiscal Studies (2013); *An ex-ante analysis of the effects of the UK government's welfare reforms on labour supply in Wales* (IFS Report 75) and Welsh Government (2013); *Analysis the impact of the UK Government's welfare reforms in Wales – Stage 3 Analysis; Part 1: Impact on those with protected characteristics*

[3] Eurostat

[4] Office for National Statistics; *Annual Population Survey*

[5] Unemployed for 12 months or more

[6] Eurostat

[7] Eurostat

[8] [8] Office for National Statistics; *Annual Population Survey / Local Labour market Survey*

[9] *Annual Population Survey*, ONS (2012)

[10] *Welsh Index of Multiple Deprivation* (2011)  
<http://wales.gov.uk/topics/statistics/theme/wimd/wimd2011/?lang=en>

[11] *Stats Wales*

[12] UKCES (2012), *Working Futures Report for Wales. Summary Report for Wales*, October

[13] UKCES, Wales Future Skills Assessment

[14] UKCES, Wales Future Skills Assessment

[15] Office for National Statistics; *Annual Population Survey 2009-2013. This data is an estimate and not directly comparable to the Statistical First Release NEET data at Wales level*

[16] Bradshaw, J., Ager, R., Burge, B. and Wheater, R. (2010). PISA 2009: Achievement of 15-Year-Olds in Wales. Slough: NFER

[17] ONS and Annual Population Survey

[18] Statistical First Release (24th July 2013) *Participation of young people in education and the labour market*. EW breakdowns by specific age ranges are not available.

[19] Welsh Government Statistical Article, *Further Analysis of data related to Young People Not in Education, Employment or training (NEET)*

[20] Welsh Government Statistical Bulletin, *Young people not in education, employment or training (NEET) (Year to 31 December 2013)*

[21] Welsh Government Statistical Article, *Further Analysis of data related to Young People Not in Education, Employment or training (NEET)*

[22] Welsh Government (2011), Programme for Government

[23] Welsh Government:  
<http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/?lang=en>

[24] Welsh Government:

<http://wales.gov.uk/topics/educationandskills/earlyyearshome/building-a-brighter-future-early-years-and-childcare-plan/?lang=en>

[25]  
<http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/delivering-the-youth-guarantee-in-wales/?lang=en>

[26] Davies R et al, (2011) An anatomy of economic inequality in Wales, see [http://www.wiserd.ac.uk/wp-content/uploads/2011/05/WISERD\\_RRS\\_002.pdf](http://www.wiserd.ac.uk/wp-content/uploads/2011/05/WISERD_RRS_002.pdf)

[27] See Labour Market Statistics, October 2012, Office for National Statistics

[28] Labour Market Intelligence identifies skills needs / trends for coming years. These needs / trends can be illustrated through skills shortages or skills gaps identified by research or by employers.

[29] Defined as long term unemployed and economically inactive. Separate eligibility criteria around UK Government Welfare programmes may apply.

[30] European Commission(2011), *Evaluation of the capacity of ESF delivery systems to attract and support OP target groups*

[31] ECORYS, *Evaluation of the ESF support to Lifelong Learning*

[32] 2011 ESF Leavers Survey, Cardiff University et al, 2013

[33] UKCES (2010); *The Value of Skills: An Evidence Review*,

[34] UKCES (2012), *Working Futures Report for Wales. Summary Report for Wales*, October

[35] See UKCES (2011); *Skills for Jobs: The National Skills Audit for Wales 2011 – Volume 1 Key Findings and Volume 2: Evidence Report*

[36] International Labour Conference, 97th Session, 2008, Skills for improved productivity, employment growth and development; UK Commission for Employment and Skills, Employer Practice in progressing low-paid staff

[37] UKCES (2010); *The Value of Skills: An Evidence Review*,

[38] BIS (2011); *Research Paper No 47, The Long Term Effect of Vocational Qualifications on Labour Market Outcomes*

[39] BIS (2011); *Returns to Intermediate and Low Level Vocational Qualifications*, Research Paper 53

[40] BIS (2011); *Measuring the Economic Impact of Further Education*



1.1.2 A justification for the choice of thematic objectives and corresponding investment priorities having regard to the partnership agreement, based on an identification of regional and, where appropriate, national needs including the need to address the challenges identified in relevant country-specific recommendations adopted in accordance with Article 121(2) TFEU and the relevant Council recommendations adopted in accordance with Article 148(4) TFEU, taking into account the ex-ante evaluation.

**Table 1: Justification for the selection of thematic objectives and investment priorities**

Selected thematic objective	Selected investment priority	Justification for selection
08 - Promoting sustainable and quality employment and supporting labour mobility	8ii - Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee	<ul style="list-style-type: none"> <li>• Commission Position Paper (CPP) highlights need to tackle high levels of youth unemployment.</li> <li>• Country Specific Recommendation to improve skills of young people to meet employer needs.</li> <li>• A number of key interrelated EU2020 targets for Wales to address, including Early School Leaving (ESL), poverty and employment.</li> <li>• Nearly a quarter of young people unemployed in EW.</li> <li>• Ambitious targets within the Tackling Poverty Action Plan to reduce 16-18 NEET from 12.1% in 2011 to 9% by 2017.</li> <li>• Youth Engagement and Employment Action Plan to support young people to enter the labour market.</li> <li>• Declining low skilled industries with employment challenges leading to a low carbon and climate resilient economy.</li> <li>• Opportunity to invest in reducing the number of young people with basic or low skills, in line with Country Specific Recommendations.</li> <li>• Support the implementation of the Welsh Government Youth Guarantee.</li> </ul>

Selected thematic objective	Selected investment priority	Justification for selection
08 - Promoting sustainable and quality employment and supporting labour mobility	8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work	<ul style="list-style-type: none"> <li>• CPP highlights investing in the labour market participation of women as a priority to tackle the gender gap.</li> <li>• No direct target for EU2020 but potential impact on a number of the targets on employment, poverty and skills.</li> <li>• Gender inequalities continue to exist in Wales with women more likely to be underemployed, working part time and earning less than men.</li> <li>• Country Specific Recommendations highlight importance of reducing child poverty in low-income households.</li> <li>• Need to continue efforts to build on recent successes in Wales in this area.</li> </ul>
09 - Promoting social inclusion, combating poverty and any discrimination	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	<ul style="list-style-type: none"> <li>• CPP places employability, exclusion and poverty at the core of the ESI funds.</li> <li>• Country Specific Recommendations emphasise the need to continue efforts to reduce child poverty in low income households including those on welfare</li> <li>• CPP emphasises the need to reduce poverty and exclusion through employability.</li> <li>• Sustainable employment seen as best route out of poverty. Tackling Poverty Action plan sets a number of key challenges in this area</li> <li>• Key EU2020 targets on poverty and employment</li> <li>• Relatively high levels of poverty and worklessness in Wales.</li> </ul>
10 - Investing in education, training	10i - Reducing and preventing early school leaving and	<ul style="list-style-type: none"> <li>• CPP highlights the need to reduce ESL and increase access</li> </ul>

Selected thematic objective	Selected investment priority	Justification for selection
and vocational training for skills and lifelong learning	promoting equal access to good quality early childhood, primary and secondary education including formal, non formal and informal learning pathways for reintegrating into education and training	<p>to quality education.</p> <ul style="list-style-type: none"> <li>• Country Specific Recommendation on improving skills of young people and reducing number of young people with low basic skills.</li> <li>• ESL in Wales 9% above EU target.</li> <li>• Clear evidence that early intervention to address underlying issues affecting young people’s attainment and employability can have a profound effect on future development and attainment.</li> <li>• Building on Welsh Government approaches to address risk of NEET across Wales.</li> <li>• Opportunity to align skills and qualifications with emerging areas of economic and employment growth.</li> </ul>
10 - Investing in education, training and vocational training for skills and lifelong learning	10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	<ul style="list-style-type: none"> <li>• CPP highlights the need to invest in quality and relevant skills and lifelong learning to help support individuals and enterprises and to drive growth.</li> <li>• Country Specific Recommendation on addressing skills mismatches through more advanced and higher level skills provision, including apprenticeships.</li> <li>• Opportunity to drive Wales level EU2020 target on tertiary level education.</li> <li>• Increasing skills levels seen as a key driver to economic growth and will underpin investments across ESI funds.</li> <li>• Oversupply of no skilled or low skilled workers.</li> <li>• Opportunity to link to emerging markets and skills demand of the economy.</li> </ul>

Selected thematic objective	Selected investment priority	Justification for selection
11 - Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration	11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance	<ul style="list-style-type: none"> <li>• Increasing evidence base pointing to the importance of institutional capacity as a factor affecting the relative success of regional investments (OECD).</li> <li>• Difficulties instituting public sector reform in Wales over the last 20 years suggests some resistance to new ways of working; but collaborations levered by ESI funds are providing some evidence of the effectiveness of regional partnership working.</li> <li>• Plans for local government reform in Wales are in place. Dedicated additional investment could lever quicker, wider and more systematic reform.</li> <li>• Building institutional capacity of the public sector can ensure that public administrations are equipped to deal with challenges in the long term (European Commission, 2014).</li> <li>• The design of the Priority and results sought reflect lessons learned from related activity included in the 2007-2013 programmes and take into account Commission guidance (<i>Guidance Document on Indicators of Public Administration Capacity Building, 2014</i>)</li> </ul>

## 1.2 Justification for the financial allocation

Justification for the financial allocation (Union support) to each thematic objective and, where appropriate, investment priority, in accordance with the thematic concentration requirements, taking into account the ex-ante evaluation.

1. **Priority Axis 1: Tackling Poverty through Sustainable Employment**
2. This Priority Axis is focussed around TO 9: Promoting Social Inclusion, Combating Poverty and any Discrimination.
3. 16% of all ESF in EW will be allocated to this Priority Axis. The investment will be focused on the *Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability* IP and those most at risk of poverty and social exclusion. Justification for this allocation is based on:
  - The regulatory requirement, and a Welsh Government commitment within the Tackling Poverty Action Plan, to allocate at least 20% of ESF resources to this TO
  - Challenges around long term unemployment, economic inactivity, poverty and workless households;
  - Country Specific Recommendation on reducing child poverty in low income households;
  - Significant complementary investment through mainstream UK Welfare to Work provision with compulsory job-search activities restricting added value to large sections of the potential target groups;
  - Opportunities to link with complimentary investments within this TO through EAFRD;
  - Significant complementary ESF investment to support youth unemployment through the Youth Employment Priority Axis;
  - Integrated approach to tackling poverty which looks to target, prevent and mitigate the causes and impacts of poverty; and
  - The guiding Welsh Government principle that employment is the best route out of poverty.
4. **Priority Axis 2: Skills for Growth**
5. This Priority Axis is focussed around TO 10: *Investing in Education, Training and Vocational Training for Skills and Life-long Learning*. It also seeks to incorporate a single complementary Investment Priority from the TO 8, *Promoting Sustainable and Quality Employment and Supporting Labour Mobility*.
6. Just over 42% of all ESF in the programme area will be allocated to this Priority Axis. Within this Priority allocation approximately 94% will be allocated to the *Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences*. IP in TO10 representing the bulk of the investment with approximately 6% allocated to the *Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work* IP in TO 8. Justification for this allocation is based on:
  - Skills investment will be a key underpinning factor to all ESI fund investments and in driving economic growth during the programme period;
  - Clear opportunities to utilise ESF investment to underpin emerging markets including for example in supporting the shift to low carbon and high value economies;

- Reflecting evidence in the Socio Economic Analysis which shows larger proportion of GVA gap due to lower added value per job arguing for greater concentration of resources on Skills;
- Evidence in the Socio Economic Analysis which shows GVA gap due to lower productivity arguing for greater concentration of resources on Skills;
- Apprenticeships are seen as offering a high value return to both employers and employees;
- A number of related EU2020 targets on Early School Leaving and people educated to a tertiary level or equivalent level;
- Country Specific Recommendation on addressing skills mismatches through more advanced and higher level skills provision, including apprenticeships.
- Continued undersupply of intermediate and higher level skills and oversupply of low or no skilled workforce and an ambition to progress individuals with no or low skills to intermediate levels;
- Challenges remain in supporting the role of women in the workforce and in tackling the gender pay gap; and
- Additional opportunities to link with investments within TO10 under EAFRD combined with more flexibility to utilise ESF to up-skill or re-skill farmers and fishermen.

#### **7. Priority Axis 3: Youth Employment**

8. This Priority Axis is focussed around TO 8, *Promoting Sustainable and Quality Employment and Supporting Labour Mobility*. It also seeks to incorporate a single complementary Investment Priority from the TO 10, *Investing in Education, Training and Vocational Training for Skills and Life-long Learning*.

9. Just over 32% of all ESF in the programme area will be allocated to this Priority Axis. Within this Priority allocation approximately 77% will be allocated to the *Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee IP in TO 8* with approximately 23% allocated to the *Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegrating into education and training IP in TO 10*. Justification for this allocation is based on:

- Addressing youth unemployment seen as an important area of investment both at EU level and in Wales. Compared to general unemployment levels Youth unemployment although decreasing is higher in EW than the Wales average;
- Opportunity to reduce the number of young people with basic or low skills and to align skills and qualifications to emerging economic opportunities and employment growth, in line with Country Specific Recommendations;
- Targeted support, at those at highest risk of NEET, preventing or reducing pockets of NEET is key to tackling structural issues of youth unemployment and as a preventative long term investment; and
- Opportunity to contribute to key EU2020 targets now and for the future with long term legacy investment benefits.

#### **10. Priority Axis 4: Technical Assistance**

11. 2% of all the ESF in the programme area will be located within this priority axis to support the successful and compliant implementation of the programmes. Allocations have been developed based on the experience of the Managing Authority and its stakeholders in the implementation of the 2007-2013 programmes.

12. **Priority Axis 5: Public services reform and regional working**

13. This Priority Axis is focussed around Thematic Objective (11) – Institutional Capacity Building). Just over 7% of all ESF in the programme area will be allocated to this Priority Axis, Justification for this allocation is based on:

- Assessing organisational capacity and capability, and developing and delivering workforce development plans.
- Supporting the reconfiguration of regional governance arrangements to ensure representative and inclusive planning and decision making functions.

**Table 2: Overview of the investment strategy of the operational programme**

Priority axis	Fund	Union support (€)	Proportion of total Union support for the operational programme	Thematic objective / Investment priority / Specific objective	Common and programme-specific result indicators for which a target has been set
1	ESF	32,084,989.00	15.78%	<ul style="list-style-type: none"> <li>▼ 09 - Promoting social inclusion, combating poverty and any discrimination                             <ul style="list-style-type: none"> <li>▼ 9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability                                     <ul style="list-style-type: none"> <li>▼ 1.1 - To increase the employability of Economically Inactive and Long Term Unemployed people aged 25 and over, who have complex barriers to employment.</li> </ul> </li> </ul> </li> </ul>	[102A6, 102B6, 1100A, 1100B, 1102A, 1102B, 1103, 1104A, 1104B]
2	ESF	86,123,905.00	42.36%	<ul style="list-style-type: none"> <li>▼ 08 - Promoting sustainable and quality employment and supporting labour mobility                             <ul style="list-style-type: none"> <li>▼ 8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work                                     <ul style="list-style-type: none"> <li>▼ 2.3 - To improve the position of women in the workforce.</li> </ul> </li> </ul> </li> <li>▼ 10 - Investing in education, training and vocational training for skills and lifelong learning                             <ul style="list-style-type: none"> <li>▼ 10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences                                     <ul style="list-style-type: none"> <li>▼ 2.1 - To increase the skills levels, including work relevant skills, of those in the workforce with no or low skills.</li> <li>▼ 2.2 - To increase the number of people in the workforce with technical and job specific skills at an intermediate and higher level.</li> <li>▼ 2.4 - To increase the number of people with graduate degrees or equivalent undertaking research and innovation activities with enterprise.</li> </ul> </li> </ul> </li> </ul>	[1101, 1109, 1174F, 1174M, 1175F, 1175M, 1180F, 1180M, 1181F, 1181M, CR03]
3	ESF	65,827,115.00	32.38%	<ul style="list-style-type: none"> <li>▼ 08 - Promoting sustainable and quality employment and supporting labour mobility                             <ul style="list-style-type: none"> <li>▼ 8ii - Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee                                     <ul style="list-style-type: none"> <li>▼ 3.1 - To reduce the number of 16-24 year olds who are Not in Employment Education or Training (NEET).</li> </ul> </li> </ul> </li> <li>▼ 10 - Investing in education, training and vocational training for skills and lifelong learning                             <ul style="list-style-type: none"> <li>▼ 10i - Reducing and preventing early school leaving and promoting equal access to good quality early childhood, primary and secondary education including formal, non formal and informal learning pathways for reintegrating into education and training                                     <ul style="list-style-type: none"> <li>▼ 3.2 - To reduce the number of those at risk of becoming NEET amongst 11-24 year olds.</li> </ul> </li> </ul> </li> </ul>	[1123, 1124, 1125, 1127, 1128, 1183]
5	ESF	15,210,000.00	7.48%	<ul style="list-style-type: none"> <li>▼ 11 - Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration                             <ul style="list-style-type: none"> <li>▼ 11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance                                     <ul style="list-style-type: none"> <li>▼ 5 - Public services reform and regional working</li> </ul> </li> </ul> </li> </ul>	[1184]
4	ESF	4,066,245.00	2.00%	<ul style="list-style-type: none"> <li>4.1 - To ensure the efficient and effective management of the 2014-2020 programmes</li> <li>4.2 - To provide high quality advice to key partners involved in the design and delivery of operations.</li> <li>4.3 - To enhance the integration and the complementarity of investments with other ESI funds and wider Commission led and Sector based programmes.</li> </ul>	[TAR1, TAR2, TAR3]



## 2. PRIORITY AXES

### 2.A DESCRIPTION OF THE PRIORITY AXES OTHER THAN TECHNICAL ASSISTANCE

#### 2.A.1 Priority axis

<b>ID of the priority axis</b>	1
<b>Title of the priority axis</b>	Tackling Poverty through Sustainable Employment

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)

#### 2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

1. The Priority Axis has been developed in line with the aims of the ESF programme in East Wales (EW) and in particular the aim:
  - *To tackle poverty and social exclusion by increasing labour market participation and helping people to access sustainable employment*
2. Two key programme objectives outlined in the strategy apply also:
  - *To reduce poverty by increasing employment levels, particularly for underrepresented groups and those furthest from the labour market;*
  - and*
  - *To reduce inequalities in the labour market amongst women and recognised equality groups.*
3. The Welsh Government has a clear commitment to tackling poverty in Wales. The ESF Programme Strategy and actions within this Priority Axis have been developed to support this commitment and to align to the CSR to continue efforts to reduce child poverty in low-income households.
4. The definition of poverty in Wales is based on not having ‘sufficient resource’, or income, and the lack of ability to ‘participate in activities’, or social exclusion. The Priority Axis itself will deliver interventions that align with Welsh Government policy, as articulated within its Tackling Poverty Action Plan, which states that the best route out of poverty is through employment and focuses on removing barriers to employment and helping people to move onto the employment ladder.
5. The overall objective of this Priority Axis is therefore to reduce levels of poverty in EW through supporting access to sustainable employment. As part of the strategy outlined in Section 5, the focus will be on supporting those at greatest risk of poverty and social exclusion. Actions will

concentrate on those who are furthest from the labour market - the long term unemployed and the economically inactive - with a specific emphasis on those with complex barriers to employment at most at risk of poverty and exclusion.

6. The guiding principle of all interventions will be moving the individual towards achieving and maintaining sustained employment, including self-employment, as a means of tackling poverty.
7. This Priority Axis will delivered be through a single Thematic Objective ((9)(9) – *Promoting social inclusion, combating poverty and any discrimination*). While some of the proposed interventions may also fit within the (9)(8) *Promoting sustainable and quality employment and supporting labour mobility* Thematic Objective, coordination of sustainable employment interventions to tackle poverty through a single Thematic Objective and Investment Priority will ensure greater integration both within the programmes and with poverty actions across all ESI funds.
8. Experience from the 2007–2013 programmes shows that integration of interventions is key to achieving successful employment outcomes for the individual. In addition, much of the core employment services which might be delivered through an employment Thematic Objective are non-devolved and delivered as part of mainstream UK Government programmes.
9. This Priority Axis will align with, complement, and add value to, UK mainstream labour market programmes through delivering a single coordinated approach to improving employment and employability for individuals as a route-way out of poverty. The principles of specific eligibility around mainstream UK Government programmes will be addressed through the Welsh eligibility guidance documentation, made available via the WEFO website and updated throughout the Programme period.

### 2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ESF	More developed	Total	

### 2.A.4 Investment priority

ID of the investment priority	9i
Title of the investment priority	Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability

### 2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	1.1
Title of the specific objective	To increase the employability of Economically Inactive and Long Term Unemployed people aged 25 and over, who have complex barriers to employment.
Results that the Member	1. The main focus of this Specific Objective is to increase the employability for both Economically Inactive individuals

<p>States seek to achieve with Union support</p>	<p>over 25 with complex barriers to employment and Long Term Unemployed individuals over 25 with complex barriers to employment. As set out in the strategy there are a number of characteristics for the economically inactive or long term unemployed demographic which are linked to higher than average rates of economic inactivity or long term unemployment. These barriers are shown to be multiple and complex and include work limiting health conditions or disabilities, low or no skills and individuals in jobless households. The full list of the barriers to be addressed is included in Section 2.A.6.1</p> <ol style="list-style-type: none"> <li>2. There are no specific measures of employability at a national or regional level. It may be possible through supporting the target groups to access employment to contribute to reductions in Economic Inactivity or Long Term Unemployment amongst the target group however this data is subject to significant external factors and these results alone will not truly reflect the overall investments within the Specific Objective.</li> <li>3. The direct results therefore will be focused around a number of proxy indicators for employability to include the number of the specific target group gaining a qualification or work relevant certification upon leaving, the number completing a work experience placement or volunteering opportunity and for the Economically Inactive cohort, the number engaged in job search upon leaving.</li> <li>4. In addition, result indicators will be included for the number entering employment and self employment upon leaving and to further evidence the sustainability of the employment outcome the number in employment or self employment 6 months after leaving. It may also be possible through evaluation to measure the longer term impact on Economic Inactivity and Long Term Unemployment rates in a way which takes account of the range of external factors which impacts on these macro level indicators.</li> <li>5. Baselines have been set for the result indicators based on comparable activity supported through previous ESF provision or similar activity elsewhere. Targets on skills and qualifications have been set to reflect the additional focus on those with no skills and the inclusion of work relevant certification. For employment outcomes, ambitious targets have been set which will help increase the employment outcomes of each specific target group towards those of the general population or those closest to the labour market. Some targets will only aim to match the existing baselines. This reflects the new and uncertain nature of these targets where baselines indicators are not a direct match but provide a useful benchmark to work to.</li> </ol>
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**Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for the ESF)**

Investment priority : 9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability														
ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis for target setting	Baseline value			Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
					M	W	T			M	W	T		
102A6	Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment entering employment including self employment 6 months after leaving	More developed	Ratio				20.00	Ratio (%)	2013			45.00	Management Information Systems	Quarterly
102B6	Long-term unemployed (aged 25 and over) who have complex barriers to employment entering employment, including self employment, 6 months after leaving	More developed	Ratio				25.00	Ratio (%)	2013			45.00	Management Information Systems	Quarterly
1100A	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	More developed	Ratio				40.00	Ratio (%)	2013			50.00	Management Information Systems	Quarterly
1100B	Long-term unemployed (aged 25 and over) who have complex barriers to employment gaining a qualification or work relevant certification upon leaving	More developed	Ratio				40.00	Ratio (%)	2013			50.00	Management Information Systems	Quarterly
1102A	Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment entering employment including self employment upon leaving	More developed	Ratio				14.00	Ratio (%)	2013			20.00	Management Information Systems	Quarterly
1102B	Long-term unemployed (aged 25 and over) who have complex barriers to employment entering employment, including self employment, upon leaving	More developed	Ratio				20.00	Ratio (%)	2013			25.00	Management Information Systems	Quarterly
1103	Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment engaged in job search upon leaving	More developed	Ratio				25.00	Ratio (%)	2013			25.00	Management Information Systems	Quarterly
1104A	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	More developed	Ratio				54.00	Ratio (%)	2013			54.00	Management Information Systems	Quarterly
1104B	Long-term unemployed (aged 25 and over) who have complex barriers to employment increasing employability through completing work experience placement or volunteering opportunity	More developed	Ratio				53.00	Ratio (%)	2013			53.00	Management Information Systems	Quarterly

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
	<p><b>1. Specific Objective 1</b></p> <p>2. In delivering to <b>Specific Objective 1</b>, actions under this Investment Priority will target those furthest from the labour market with complex barrier to employment. In line with the poverty strategy in Section 5 and are there are 2 main targets groups within this Specific Objective. The target groups are recognised as being most at risk of poverty and whilst distinct can be addressed through the single Specific Objective as the barriers they face will be similar. The target groups will be Economically Inactive (aged 25 and over), not in education or training who have complex barriers to employment, and Long-term unemployed (aged 25 and over), who have complex barriers to employment.</p> <p>3. The Economically Inactive target group will have one or more of the following barriers to employment; low or no skills; a work limiting health condition or disability (including substance or alcohol misuse); care or childcare responsibilities; are over 54; are from a BME (Black, Minority, Ethnic) group; or from a jobless household. Similarly the Long-term unemployed group will have one or more of the following barriers; low or no</p>

<b>Investment priority</b>	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
<p>skills; a work limiting health condition or disability (including substance or alcohol misuse); are from a BME (Black, Minority, Ethnic) group; or from a jobless household. Separate eligibility criteria around UK Government Welfare programmes may apply; these criteria will be addressed through the Welsh eligibility guidance documentation, made available via the WEFO website and updated throughout the Programme period.</p> <ol style="list-style-type: none"> <li>4. Interventions will be personalised and focused on the needs of the individual in both the methods of engagement and in delivery. Delivery will be integrated with other wider strategies to address worklessness, poverty and disadvantaged communities.</li> <li>5. In line with the guiding principle of supporting employment as a route out of poverty, whilst providing individual tailored support, interventions will focus on sustained employment (including self-employment) as the desired outcome.</li> <li>6. Individuals such as those who are furthest from the labour market face multiple and complex barriers to achieving sustained employment, including skills and qualifications, transport, care and childcare, financial and emotional barriers as well as attitudes to work and welfare dependence. Recent periods of recession and labour market uncertainty have presented additional challenges for these individuals when competing for the opportunities available. Actions will support individuals to address these multiple and complex barriers. Actions will ensure that individuals are able to access integrated and personalised provision which is designed to address their range of needs, thereby avoiding any requirement for participants to access a multiple and complex configuration of interventions.</li> <li>7. On-going changes in the UK Government Welfare system will bring challenges to the implementation of actions under this Specific Objective. Research shows[1] that current welfare reform will be disproportionately regressive in Wales with greater impact on those most at risk of poverty including recognised equality groups. Mainstream UK employment provision will provide a focus for interventions on those who are closest to the labour market. Due to the limited funding available in EW and the fact that its overall employment rates are more robust than those in West Wales and the Valleys, actions under this Priority Axis will focus on complementing and adding value to this mainstream provision. Actions will work specifically to support those most at risk of poverty, disadvantage and exclusion to re-engage with the labour market and to access sustainable employment and in so doing, will align to the Country Specific Recommendation of reducing child poverty in low income households, a Recommendation which also cites the potential impact of Welfare Reform in relation to this aim.</li> <li>8. Indicative actions which could be undertaken in support of the Specific Objective and to the target groups identified above could include: <ul style="list-style-type: none"> <li>○ Activities, including the development of innovative solutions, to address and overcome the complex barriers faced by the target group in accessing sustainable employment and improving employability including for example through the provision of mentor support;</li> <li>○ Actions to address barriers such as care or childcare including innovative actions linked to improving the availability of affordable quality childcare;</li> <li>○ Actions to support the target groups to access sustainable employment opportunities, particularly in areas of economic and employment growth, including basic job search, CV writing and interview skills;</li> <li>○ Actions to enhance employability including supporting access to work experience or work focused volunteering as a pathway to employment or self employment where appropriate;</li> </ul> </li> </ol>	

<b>Investment priority</b>	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
<ul style="list-style-type: none"> <li>○ Actions which update and enhance skills levels, including essential skills, through gaining qualifications or work relevant certification;</li> <li>○ Support for the Economically Inactive target group to develop self confidence and perception of work as a meaningful and realistic option; or</li> <li>○ Targeted actions, where appropriate, to address other associated barriers to sustainable employment amongst the target group such as prolonged periods of worklessness, ICT, transport and finance and debt management.</li> </ul> <p>9. The planned actions described above within the Specific Objective provide indicative areas of action which operations could take forward. All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation’s identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.</p> <p>10. Beneficiaries of funding are expected to include the public sector (local authorities, the Welsh Government); NGO's (non governmental organisations); universities; and the private sector.</p> <p>[1] Adams, S &amp; Phillips, D Institute for Fiscal Studies, An ex-ante analysis of the effects of the UK government’s welfare reforms on labour supply in Wales (IFS Report 75)</p>	

### ***2.A.6.2 Guiding principles for selection of operations***

<b>Investment priority</b>	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
<p>1. The following common principles will guide future selection of operations across all Investment Priorities:</p> <ul style="list-style-type: none"> <li>○ An unequivocal focus on supporting sustainable jobs, <u>employment and growth</u> and operations which facilitate the role of the third sector and private sector;</li> <li>○ Interventions should seek to integrate economic, social and environmental outcomes, consistent with the central organising principle of <u>sustainable development</u> and contributing to the outcomes of the cross cutting themes;</li> <li>○ Opportunities to achieve <u>greater leverage</u> from the deployment of EU funds, particularly with the private and third sector; and also more collaborative investments where these can add value and achieve outcomes;</li> </ul>	

<b>Investment priority</b>	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
<ul style="list-style-type: none"> <li>○ Clear <b>added value</b>, when compared with other ways of supporting and delivering policy, based on sound evidence;</li> <li>○ <b>Evidence of opportunity</b> will form the foundation of the design and delivery of operations with investments building on existing and emerging expertise, with human capital delivering to the future needs of businesses;</li> <li>○ Prioritisation of <b>key strategic operations</b> that underpin the Specific Objectives and which deliver significant outcomes, will be a core part of a portfolio management approach to programme delivery; and</li> <li>○ <b>Clear exit strategies</b> need to be in place at the outset which fully consider the role of the third sector and private sector, build social resilience and tackle poverty within communities, promote equality, and achieve legacy effects.</li> </ul> <p>2. Operations will need to consider a range of targeting mechanisms to provide a focus for investment. The degree of targeting will vary according to the intervention and, where appropriate, should reflect:</p> <ul style="list-style-type: none"> <li>○ clear identification of the <b>specific target groups</b>, their needs and how actions will address these needs at a national, regional or local level as appropriate;</li> <li>○ <b>growth sectors</b> (e.g. specifically the Welsh Government identified key sectors, Grand Challenge areas in Science for Wales and the emerging Innovation Strategy); and,</li> <li>○ areas of specific <b>geographical opportunity</b> (e.g. Enterprise Zones, any potential City region or other regional opportunity, Business Improvement District, Rural or Regeneration Area).</li> </ul> <p>3. <b>Additional principles relevant to the specific Investment Priority</b></p> <p>4. In line with the Tackling Poverty Action plan and the outlined strategy in Section 5 for addressing those most at risk of poverty, disadvantage and exclusion interventions must be integrated with other wider strategies to address worklessness, poverty and disadvantaged communities.</p> <p>5. All activity will be planned with a return to work focus (to achieve a job outcome) and all interventions and skills support will be designed to support individuals to achieve this goal.</p> <p>6. Skills interventions, where needed, will look to achieve or progress individuals, where possible, to intermediate level on the National Qualification Framework (NQF) or above, outlining clear progression routes for those with no / low skills.</p> <p>7. Actions should be flexible and responsive to labour market fluctuations; utilising and responding to LMI, which identifies skills needs and trends for coming years as a means to ensuring employment supply meets employment demand.</p> <p>8. Any public support under this programme must comply with the procedural and material State Aid rules applicable at the point of time when the public support is granted.</p> <p>9. Unless otherwise specified within the output indicators for this investment priority all operations seeking support within this investment priority area will be required to establish appropriate operation level output targets, at a minimum, within the following categories:</p> <ul style="list-style-type: none"> <li>○ Gender;</li> <li>○ Age (over 54 years);</li> </ul>	

<b>Investment priority</b>	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
<ul style="list-style-type: none"> <li>○ Disability;</li> <li>○ Work limiting health conditions;</li> <li>○ Migrants / BME / Minorities (including marginalised communities such as the Roma); and</li> <li>○ Care / Childcare responsibilities.</li> </ul>	

#### **2.A.6.3 Planned use of financial instruments (where appropriate)**

<b>Investment priority</b>	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
<ol style="list-style-type: none"> <li>1. The ex-ante assessment of the use of Financial Instruments (FI) in ESF concluded that in most cases there was limited potential for FI in the delivery of the actions outlined above and any potential approach is likely to be less effective than a grant based approach in terms of achieving the results sought. It noted that FI for the proposed actions would be unlikely to be cost effective and cited concerns around the return for business and hence potential for repayment which, for actions focused around enabling people to access employment, would be based upon a reduction in benefit claimants, a non-devolved issue for Wales.</li> <li>2. The first phase recommended additional research on the value of FI in delivering support for participants to move into self-employment and entrepreneurship as scope may exist. However the conclusions of further research in the second phase found that a loan-based approach is unlikely to prove an appropriate or cost-effective delivery mechanism. It is therefore not proposed to utilise FI in the delivery of the actions within this Investment Priority. Interventions will link with actions through SME Competitiveness priority of the ERDF to support business start up, self employment and entrepreneurship.</li> </ol>	

#### **2.A.6.4 Planned use of major projects (where appropriate)**

<b>Investment priority</b>	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
<ol style="list-style-type: none"> <li>1. This is not applicable for ESF.</li> </ol>	



### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
1002	Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment (low or no skills; a work limiting health condition or disability; care or childcare responsibilities; over 54; from a jobless household)	Number	ESF	More developed			12,700.00	Management Information Systems	Quarterly
1003	Long-term unemployed (aged 25 and over) who have complex barriers to employment (low or no skills; a work limiting health condition or disability; are from a BME group; or from a jobless household)	Number	ESF	More developed			3,800.00	Management Information Systems	Quarterly

### 2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

Priority axis	1 - Tackling Poverty through Sustainable Employment
<p><b>1. Promotion of Social Innovation (SI) within ESF Programme</b></p> <p>2. All operations will be encouraged to consider the opportunities SI provides to pilot or develop innovative approaches to delivery. Operations will be encouraged to consider options to undertake small scale SI activities to explore alternative delivery models or target specific groups with a view to incorporating and scaling up successful delivery. Such small scale trialling, particularly through commissioning or procurement, will engage the third sector, community groups and social partners in a risk based approach to developing new delivery models which can add to and complement successful delivery models already in place.</p> <p>3. Potential areas for SI actions across the programme might include:</p> <ul style="list-style-type: none"> <li>○ targeting of specific under-represented groups with a view to up-scaling into core activity and the delivery of enhanced equality outcomes;</li> <li>○ trialling, on a risk basis, new models of delivery, especially within well established delivery methodology or approaches; and</li> <li>○ support to trial and develop sustainable exit strategies through testing of new delivery models.</li> </ul> <p>4. Opportunities for SI may develop as operations progress. It will not be necessary for SI activity to be fully scoped however the principle and mechanics of trialling and subsequent mainstreaming of lessons learnt will need to be outlined where SI action is anticipated. Larger strategic interventions should have an evidence base indicating where trialling or piloting of approaches would work most effectively.</p> <p>5. SI actions will be subject to specific monitoring and more rigorous evaluation with lessons learnt being disseminated both within operations and across WEFO. SI actions can take place as discreet elements of larger strategic operations or as discreet stand alone operations.</p> <p>6. Specific actions within this Priority Axis might include, but are not limited to:</p>	

Priority axis	1 - Tackling Poverty through Sustainable Employment
<ul style="list-style-type: none"> <li>○ Innovative approaches to engaging with those most at risk of disadvantage, furthest from the labour market or with multiple complex barriers to employment with a view to enhancing social integration, labour market participation and sustainable employment outcomes;</li> <li>○ Innovative actions to support the development of quality and affordable childcare where childcare is a barrier to sustainable employment; and</li> <li>○ Innovative approaches to addressing issues of poverty relating to those with barriers relating to health, care or childcare.</li> </ul> <p>7. Through this approach it will also be possible to incorporate linkages with LEADER groups within EAFRD (or Fisheries Local Action Groups (FLAG's) within EMFF). LEADER groups or FLAG's, will be able to engage in commission processes for SI actions particularly for trialling new approaches with a view to mainstreaming successful delivery models. These groups will also be able to work through the regional and spatial approaches described in the Welsh Chapter of the UK Partnership Agreement and in Section 4 of this OP to encourage mainstreaming of activity funded through other ESI funds into collaborative ESF proposals.</p> <p><b>8. Specific Provision for Transnational Cooperation</b></p> <p>9. Transnational cooperation actions will be targeted towards addressing specific needs within EW while maximising the added value that can be delivered by transnational cooperation.</p> <p>10. Actions will involve stakeholders from the public, higher and further education, third and private sectors. Operations may be wholly comprised of transnational cooperation activity or feature transnational cooperation as one strand within the wider operation.</p> <p>11. Actions will be expected to support transnational cooperation with other Member States which are facing similar challenges to EW and working to common goals. Actions should support transnational partnership working to share good practice and to develop and pilot innovative solutions, to develop and share high level skills and expertise and to develop and share skills and expertise that will support a modern knowledge-based economy and a modern, adaptable and agile labour market.</p> <p>12. Specific actions within this Priority Axis might include, but are not limited to:</p> <ul style="list-style-type: none"> <li>○ Actions to share good practice and develop common and innovative approaches to supporting the long-term unemployed and economically inactive who are facing complex barriers to employment, to access the labour market.</li> </ul> <p><b>13. The contribution of the ESF to Thematic Objectives 1 - 7</b></p> <p>14. ESF investments in human capital will be centred on and deliver to the future needs of enterprise and business, supporting the development of a modern, knowledge based economy. ESF investments made under TO 8, 9 and 10 are designed to complement and combine with investments made by ESI funds under TO 1-7. Where clear additionality to provision under EAFRD and EMFF is demonstrable, individuals from farming and fishing communities will be able to access ESF support. This approach will facilitate and enable the optimal realisation of the overall aims and objectives of the ESI Funds in Wales and support the integrated approach to implementation outlined in Section 4.</p> <p>15. ESF interventions in this Priority Axis will complement ERDF, EAFRD and EMFF interventions under TO3 to stimulate business growth, develop local supply chains that link into economic growth opportunities, encourage start ups and improve the productivity of SMEs through:</p>	

Priority axis	1 - Tackling Poverty through Sustainable Employment
<ul style="list-style-type: none"> <li>○ Increasing the supply of work-ready individuals and better linking workforce supply with employer demand, supporting SME's to grow and increase productivity, including through diversification and expansion into new markets; and</li> <li>○ Promoting entrepreneurship and self-employment as a means of enabling people to move out of poverty and engage with the labour market, ensuring that they are able to access financial support and advice provided through other ESI funds.</li> </ul> <p>16. The integrated approach to tackling poverty across ESI programmes will see ESF interventions, by supporting individuals to become work-ready and by addressing barriers to accessing sustainable employment, work in conjunction with ERDF and EAFRD actions under TO4 and 7 to increase urban and labour mobility to and from key urban and employment centres and to improve rural connectivity. Thereby ensuring that ESF interventions complement sustainable transport solutions to improve and improve physical accessibility to employment centres. There will also be complementarity between actions with ERDF investments under TO4 to reduce the number and percentage of households living in fuel poverty, both mitigating the impacts of poverty and equipping people to move out of poverty through employment.</p>	

## 2.A.8 Performance framework

**Table 6: Performance framework of the priority axis** (by fund and, for the ERDF and ESF, category of region)

Priority axis		1 - Tackling Poverty through Sustainable Employment											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
PIF	F	Expenditure	€	ESF	More developed			13,000,000			64,000,000.00	Management Information Systems	Economically Inactive participants and Long-term Unemployed participants both ensure appropriate representation of the Priority Axis and its Investment Priority. Together they cover all of the Priority Axis in East Wales.
1002	O	Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment (low or no skills; a work limiting health condition or disability; care or childcare responsibilities; over 54; from a jobless household)	Number	ESF	More developed			3239			12,700.00	Management Information Systems	Economically Inactive participants and Long-term Unemployed participants both ensure appropriate representation of the Priority Axis and its Investment Priority. Together they cover all of the Priority Axis in East Wales.
1003	O	Long-term unemployed (aged 25 and over) who have complex barriers to employment (low or no skills; a work limiting health condition or disability; are from a BME group; or from a jobless household)	Number	ESF	More developed			969			3,800.00	Management Information Systems	Economically Inactive participants and Long-term Unemployed participants both ensure appropriate representation of the Priority Axis and its Investment Priority. Together they cover all of the Priority Axis in East Wales.

### Additional qualitative information on the establishment of the performance framework

1. *Financial indicators*
2. The 2023 target is the total Eligible Expenditure allocation for the Priority Axis, whilst the 2018 target is based on N+3 Eligible Expenditure.
3. *Output indicators*
4. The overall approach used to set targets within the 2014-2020 WWV ESF programme and the EW ESF programme involved mapping activity from appropriate and comparable projects funded under the 2007-2013 WWV ESF Convergence Programme. These were selected to best reflect

the targeted approach and proposed activity to be funded as outlined in the 2014-2020 ESF Programmes. Projects' achievements to date of mapped activity were compared with spend to date and projects' current final targets were compared with their total financial allocation. The resulting ratios were then scaled to indicative funding allocations under the future Specific Objectives of each the Investment Priorities to derive a set of targets for the indicators.

5. In some cases where the ambition of the 2014-2020 programmes was substantially different to the current 2007-13 delivery a policy based approach is utilised selecting comparable targets reflecting the emphasis of the programme within each priority and the aspirations and objectives for change.. In all cases evidence of Unit costs etc. within the current programme are utilised to ensure these policy based targets are achievable within the funding parameters available. In addition, the use of National Statistics, where available, based on the current population share for key demographic groups, is used in order to provide aspirational targets to ensure the fair distribution of funds. This approach is supplemented with additional evidence and experience from the current 2007-2013 programming period and the targeting outlined in the proposed ESF programmes. In some cases a combination of these methods has been used.
6. The 2023 targets are the final targets for this Output indicator under the Priority Axis, whilst the 2018 targets are based on the same ratio as the 2018 Financial indicator target, and unit costs.

## 2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

### Tables 7-11: Categories of intervention

**Table 7: Dimension 1 - Intervention field**

Priority axis		1 - Tackling Poverty through Sustainable Employment	
Fund	Category of region	Code	€ amount
ESF	More developed	109. Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	32,084,989.00

**Table 8: Dimension 2 - Form of finance**

Priority axis		1 - Tackling Poverty through Sustainable Employment	
Fund	Category of region	Code	€ amount
ESF	More developed	01. Non-repayable grant	32,084,989.00

**Table 9: Dimension 3 - Territory type**

Priority axis		1 - Tackling Poverty through Sustainable Employment	
Fund	Category of region	Code	€ amount
ESF	More developed	01. Large Urban areas (densely populated >50 000 population)	18,185,772.00
ESF	More developed	02. Small Urban areas (intermediate density >5 000 population)	10,077,895.00
ESF	More developed	03. Rural areas (thinly populated)	3,821,322.00

**Table 10: Dimension 4 - Territorial delivery mechanisms**

Priority axis		1 - Tackling Poverty through Sustainable Employment	
Fund	Category of region	Code	€ amount
ESF	More developed	07. Not applicable	32,084,989.00

**Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)**

Priority axis		1 - Tackling Poverty through Sustainable Employment	
Fund	Category of region	Code	€ amount
ESF	More developed	02. Social innovation	8,021,248.00
ESF	More developed	08. Not applicable	24,063,741.00

**2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)**

Priority axis:	1 - Tackling Poverty through Sustainable Employment
1. The planned use of Technical Assistance will be addressed in the specific Technical Assistance Priority Axis.	

## 2.A.1 Priority axis

ID of the priority axis	2
Title of the priority axis	Skills for Growth

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)

## 2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

1. The Priority Axis has been developed in line with the aims of the ESF programme in EW and in particular the aim:
  - *To invest in skills as a driver of productivity and growth, to aid progression within employment and improve the skills mix and diversity of our workforce.*
2. Two key programme objectives outlined in the EW strategy apply also:
  - *To increase skills levels of the workforce, increasing the number of people qualified to intermediate level or above and reducing the number of people with no skills or basic skills only; and*
  - *To reduce inequalities in the labour market amongst women and recognised equality groups.*
3. As recognised in the Country Specific Recommendations, investing in skills is a key driver in the development of a modern knowledge-based economy and in responding and adapting to economic changes[1][2]. There is a strong correlation between qualification and skills, employment and earnings, with those in part-time work more likely to have low skills[3], emphasising the role of skills development in addressing in-work poverty, up-skilling those with no or basic skills to support them to progress within the labour market[4][5].
4. The Priority Axis has been developed to coordinate skills investment in the workforce of EW. Labour Market Intelligence will underpin investments and ensure interventions meet the needs of key economic growth areas and opportunities in Wales.
5. This Priority approach and the associated European Commission Thematic Objectives, ((9)(8) – *promoting sustainable and quality employment and supporting labour mobility* and (9)(10) – *Investing in education, training and vocational training for skills and life-long learning*) centred on a demand led approach, will ensure that employers have a suitably qualified workforce and that skills development and attainment levels are aligned with growth activity. It will also, through up-skilling low skilled workers and thereby addressing an important contributory factor to in-

work poverty, complement Priority Axis 1: Tackling Poverty through Sustainable Employment, as part of an integrated approach to tackling poverty.

6. The inclusion of the equality based Investment Priority within Thematic Objective (9)(8) is based on experience and success of this approach within the 2007-2013 ESF programmes. Investing in the skills of women in the workforce, as part of the wider skills Priority Axis, will provide a thematically coherent integrated approach to delivering skills interventions that are consistent to the needs of the economy and employers. This approach will also complement equality actions across the programmes and the objectives of the Cross Cutting Themes.
7. Delivering to the needs of both employers and the wider economy will be the fundamental principle of all demand led skills interventions within this Priority Axis. Demand will be articulated in a number of ways including directly through employers or through research evidence on areas of economic opportunity or growth.

[1] DBIS (2009), *Economic Impact of Training and Education in Basic Skills. Summary of Evidence*, October, URN 09/1432

[2] UKCES (2010), *The Value of Skills: An Evidence Review*, July ISBN 978-1-906-597-51-1

[3] *Skills and the Quality of Work in Wales, 2006-2012* (Wales Institute of Social & Economic Research, Data & Methods, 2013); chapter 3: Broad Skills

[4] Welsh Government (2013) Tackling Poverty Action Plan

[5] European Commission (2010), *Platform against Poverty*, COM(2010) 758 Final,.

### 2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
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Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ESF	More developed	Total	

#### 2.A.4 Investment priority

<b>ID of the investment priority</b>	10iii
<b>Title of the investment priority</b>	Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences

#### 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	2.1
<b>Title of the specific objective</b>	To increase the skills levels, including work relevant skills, of those in the workforce with no or low skills.
<b>Results that the Member States seek to achieve with Union support</b>	<ol style="list-style-type: none"> <li>1. The main focus of this Specific Objective is to increase the skills and qualification levels, including vocational skills, of employed (including self employed) individuals across EW with no or low skills. It will target those qualified to ISCED Level 2 (lower secondary education) or below, including those with no formal qualifications, with a focus on both increasing their qualification levels and on addressing skills gaps at this level.</li> <li>2. As set out in the Strategy, of those working age adults in employment in Wales, the most recent figures show that approximately 43% have either no or low (up to and including NQF Level 2) qualifications. At a more detailed level, of the working age adults in employment, 6.9% have no qualifications at all, while 14.1% have below NQF level 2 qualifications and 21.7% have qualifications at NQF level 2.</li> <li>3. While there are no specific measures for skills gaps, research indicates that they are more common among lower skilled occupations, with both skills specific to the job role (technical, practical and job specific skills) and essential and basic skills (such as planning and organisation, oral communication, customer handling and problem solving skills) being cited as skills shortages.[1] This indicates that there is a need not only to increase the level at which the no and low skilled are qualified but also to ensure that they achieve qualifications in skills which are relevant to the needs of employers.</li> <li>4. The direct results will therefore be focused around the number of the specific target group gaining qualifications at ISCED Levels 1 and 2 in essential and technical or job specific skills. These results will both increase the qualification levels of those with no or low skills and upgrade and update the skills of those already qualified to ISCED Levels 1 and 2, providing them with the skills and qualifications relevant to the needs of employers.</li> <li>5. The longer term impact of these interventions on the overall skills levels of the workforce will be measured through</li> </ol>



	<p>programme evaluation, which will consider the impact of ESF interventions in the context of the range of external factors that influence these measures.</p> <p>6. Baselines have been set for the result indicators based on comparable activity supported through previous ESF provision. Findings from the 2012 ESF Leavers Survey have been utilised to support the identification of ambitious yet achievable targets which represent a real increase on the baselines and which reflect our aspirations within the design of the programmes on the achievement of qualifications by the target group.</p> <p>[1] UKCES (2013), <i>Employer Skills Survey 2013 – Wales report</i></p>
<b>ID of the specific objective</b>	2.2
<b>Title of the specific objective</b>	To increase the number of people in the workforce with technical and job specific skills at an intermediate and higher level.
<b>Results that the Member States seek to achieve with Union support</b>	<ol style="list-style-type: none"> <li>1. The main focus of this Specific Objective, in line with the Country Specific Recommendations, will be to increase the number of people in the workforce in EW with technical and job specific skills at an intermediate and higher level. It will target those qualified to ISCED Level 2 (lower secondary education) and above, progressing them to at least an ISCED Level 3 (upper secondary education) qualification, while also upgrading and updating the skills of those who are already qualified to ISCED Level 3 and above.</li> <li>2. As set out in the Strategy, of the working age adults in employment in Wales, the most recent figures show that 21.7% have qualifications at NQF level 2, while 57.3% are qualified to NQF level 3 or above and 37.2% are qualified to NQF level 4 and above.</li> <li>3. These measures do not provide direct measures of the relevancy and currency of the skills of the workforce, however evidence demonstrates a persistence of skills shortages at an intermediate level[1], while around 69% of all skill-shortage vacancies are ascribed to a lack of technical, practical or job specific skills[2]. In 2013, 39% of employers in the UK who recruit staff with STEM skills and knowledge reported difficulties recruiting such skills[3] while 72% of employers expect that at least some of their staff will need to acquire new skills or knowledge over the next twelve months. Common reasons for upskilling include new legislative or regulatory requirements, the introduction of new technologies or equipment, the introduction of new working practices and the development of new products and services.[4]</li> </ol>

	<p>4. The direct results will therefore be focused around the number of the specific target group gaining qualifications at ISCED Levels 3 and above in technical and job specific skills. These results will both increase the number of those qualified to ISCED Level 3 and above and update the skills of those already qualified to that level, ensuring that their qualifications and skillset are current and relevant to the needs of employers.</p> <p>5. The longer term impact of these interventions on the overall skills levels of the workforce will be measured through programme evaluation, which will consider the impact of ESF interventions in the context of the range of external factors that influence these measures.</p> <p>6. Baselines have been set for the result indicators based on comparable activity supported through previous ESF provision. Targets have been set to reflect a genuine increase on the baselines, reflecting our aspirations within the design of the programme on the achievement of qualifications by the target group.</p> <p>[1]UKCES, Wales Future Skills Assessment and UKCES (2013), <i>Employer Skills Survey 2013 – Wales report</i></p> <p>[2] UKCES (2013), <i>Employer Skills Survey 2013 – Wales report</i></p> <p>[3] Pearson/CBI Education and Skills Surveys of 2008 and 2013</p> <p>[4] UKCES (2013), <i>Employer Skills Survey 2013 – Wales report</i></p>
<b>ID of the specific objective</b>	2.4
<b>Title of the specific objective</b>	To increase the number of people with graduate degrees or equivalent undertaking research and innovation activities with enterprise.
<b>Results that the Member States seek to achieve with Union support</b>	<p>1. The main focus of this Specific Objective will be to increase the number of individuals with higher level skills in research and innovation (R&amp;I) to support a wider Welsh ambition to increase R&amp;I activity within business[1]. Interventions will focus on the Grand Challenge areas as articulated in <i>Science for Wales: A strategic agenda for science</i></p>

and innovation in Wales[2], and facilitate the commercialisation of research. Action will be targeted at those with a graduate degree or equivalent as a minimum.

2. Innovation depends on people who are able to generate and apply knowledge and ideas in the workplace; the OECD recommends a focus on enabling the acquisition of innovation skills and the optimal use of these skills at work.[3] However, figures from 2012 show that, of the four constituent nations of the UK, Wales had the lowest percentage of working age adults qualified to NQF Level 7-8 (8.1% for England, 8.2% for Scotland, 7.4% for Wales and 7.5% for Northern Ireland). The percentage rate for Wales, at 7.4%, is also below the UK average of 8.1%.[4] Additionally, the UK Innovation Survey[5] reported that only 15% of innovation-active businesses cooperate with universities in the UK. While this figure is not specific to WWV, it indicates significant scope for greater interaction between business and higher education institutions.
3. The direct results will therefore be focused around increasing the supply of individuals undertaking R&I activities at ISCED Levels 7-8 in collaboration with and driven by the needs of the private sector and focused on the Grand Challenge areas. This will be achieved through measuring the number of enterprises collaborating with learning providers in research and innovation activities and the number of individuals gaining a qualification upon leaving (at ISCED 7 or 8).
4. It may also be possible through evaluation to consider, in a way that takes account of the range of external factors that influence these measures, the longer term impact of these ESF interventions on wider measures of research and innovation activity within business and collaboration between enterprise and universities.
5. Baselines and targets for participants gaining qualifications at ISCED 7 and 8 have been based on broadly comparable activity supported through previous ESF provision. However, in keeping with the aspirations of our programme, the scope of this activity is much tighter than in previous programmes therefore it is considered that maintaining the baseline represents a rigorous and challenging target. The result indicator on participants in employment upon leaving represents a new measure for ESF. Baselines and target values have been set based on the Higher Education Statistics Agency's figures on the destinations of leavers from higher education, postgraduate level courses.

[1] As articulated in Welsh Government (2014); *Innovation Wales – the Innovation Strategy for Wales*

[2]The Grand Challenge areas of “Life Sciences and Health”; “Advanced Engineering and Materials”; “Low Carbon, Energy and Environment”; and” ICT and the Digital Economy” set a focus for innovative research activities in Wales build on existing strengths and provide clear routes from research through to commercialisation.

[3] The Organisation for Economic Co-operation and Development OECD (2011); *Skills for Innovation and Research*

[4] UKCES (November 2012); *UK Skill levels and international competitiveness Evidence Report 70*

[5] *UK Innovation Survey 2011* (2012), BIS

**Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for the ESF)**

Investment priority : 10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences														
ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis for target setting	Baseline value			Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
					M	W	T			M	W	T		
1174F	Employed, including self-employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - Female	More developed	Ratio				34.00	Ratio (%)	2013			72.00	Management Information Systems	Quarterly
1174M	Employed, including self-employed participants with no formal qualifications gaining an essential skills or technical or job specific qualification upon leaving - Male	More developed	Ratio				38.00	Ratio (%)	2013			72.00	Management Information Systems	Quarterly
1175F	Employed, including self-employed participants with up to and including a lower secondary education (ISCED 2) gaining an essential skills or technical or job specific qualification at lower secondary (ISCED 2) level upon leaving - female	More developed	Ratio				34.00	Ratio (%)	2013			72.00	Management Information Systems	Quarterly
1175M	Employed, including self-employed participants with up to and including a lower secondary education (ISCED 2) gaining an essential skills or technical or job specific qualification at lower secondary (ISCED 2) level upon leaving - male	More developed	Ratio				38.00	Ratio (%)	2013			72.00	Management Information Systems	Quarterly
1180F	Employed, including self-employed participants with lower secondary education (ISCED 2) gaining a technical or job specific vocational qualification upon leaving at upper secondary (ISCED 3) level or above - female	More developed	Ratio				57.00	Ratio (%)	2013			60.00	Management Information Systems	Quarterly
1180M	Employed, including self-employed participants with lower secondary education (ISCED 2) gaining a technical or job specific vocational qualification upon leaving at upper secondary (ISCED 3) level or above - male	More developed	Ratio				57.00	Ratio (%)	2013			60.00	Management Information Systems	Quarterly
1181F	Employed, including self-employed participants with upper secondary (ISCED 3) education or above gaining a technical or job specific vocational qualification at or above upper secondary (ISCED3) level upon leaving - female	More developed	Ratio				44.00	Ratio (%)	2013			60.00	Management Information Systems	Quarterly
1181M	Employed, including self-employed participants with upper secondary (ISCED 3) education or above gaining a technical or job specific vocational qualification at or above upper secondary (ISCED3) level upon leaving - male	More developed	Ratio				44.00	Ratio (%)	2013			60.00	Management Information Systems	Quarterly

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

<b>Investment priority</b>	10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
<ol style="list-style-type: none"> <li><b>Specific Objective 1</b></li> <li>In delivering to <b>Specific Objective 1</b>, actions under this Investment Priority will operate as part of a coordinated Priority Axis to ensure that the workforce in EW is equipped with the skills needed to enable growth and increased productivity while also facilitating career progression and tackling in-work poverty. Actions will target employed and self-employed individuals with low or no skills with a view to developing essential and work-relevant skills up to ISCED Level 2. Actions will prioritise the achievement of qualifications as the main output however individuals will also receive support to participate in training and to enter further learning where appropriate.</li> <li>Actions will be coordinated within the Priority Axis to support demand led interventions to identify and address key skills gaps in the labour market which can support economic growth and individual progression. Labour Market Intelligence (LMI), utilising business demand and economic research, will be key to supporting targeted interventions.</li> </ol>	

<b>Investment priority</b>	10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
<p>4. Essential and basic skills as articulated by the Welsh Government’s Skills Implementation Plan[1], remain a priority. This will be complemented by the development of technical or job specific skills, as identified by LMI. Investments will focus on progression to ISCED Level 2 to maximise the potential return on skills investments and potential positive impacts on tackling in-work poverty.</p> <p>5. Over 90% of new jobs require basic internet skills, with increasing numbers of employment and progression opportunities being advertised online, therefore action will be taken to develop skills to break down barriers to engagement with technologies.</p> <p>6. Indicative actions which could be undertaken in support of <b>Specific Objective 1</b> and to the target groups identified above could include:</p> <ul style="list-style-type: none"> <li>○ Actions to provide basic and essential skills provision at ISCED Levels 1 (primary) and 2 (lower secondary education) for employed individuals with low skills (qualifications up to and including lower secondary education ISCED Level 2) or with no formal qualifications;</li> <li>○ Actions to provide technical or job specific vocational qualifications at ISCED Levels 1 (primary) and 2 (lower secondary) for employed individuals with low skills (qualifications up to and including lower secondary education ISCED Level 2) or with no formal qualifications;</li> <li>○ Provision of apprenticeships at ISCED Levels 1 and 2 for individuals in the target groups, and actions to encourage the availability and take up of apprenticeship places; and</li> <li>○ Developing skills at ISCED Levels 1 and 2 to break down barriers to engagement with technologies, such as digital skills, reducing social isolation and increasing access to work progression opportunities on-line.</li> </ul> <p>7. <b>Specific Objective 2</b></p> <p>8. In delivering to <b>Specific Objective 2</b>, actions under this Investment Priority will support the development of intermediate and higher level technical and job specific skills at ISCED Level 3 and higher.</p> <p>9. Actions will recognise that equipping employed individuals with the skills to drive economic growth involves both upskilling our workforce as well as updating and refreshing existing skills to ensure that they remain relevant and current. Therefore, actions will target both individuals qualified to ISCED Level 2, with a view to progressing them to ISCED Level 3 and above, and individuals already possessing qualifications at ISCED Levels 3 and above, ensuring that their skills remain current and that they meet the needs of employers.</p> <p>10. In achieving this, actions will develop technical and job specific vocational skills at ISCED Level 3 or higher. Actions will prioritise the achievement of qualifications as the main output however individuals will also receive support to participate in training and to enter further learning where appropriate.</p> <p>11. Actions will be coordinated as part of the overall Priority Axis to support demand led interventions to address key skills gaps in the labour market which can support economic growth and individual progression. Actions will be designed to meet the needs of employers, facilitating organisational growth and adaptability to economic and labour market challenges and supporting individuals to prosper and progress within the labour market. Labour market intelligence, identified utilising business demand and economic research, will be key to supporting targeted interventions.</p>	

<b>Investment priority</b>	10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
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12. Indicative actions which could be undertaken in support of **Specific Objective 2** and to the target groups identified above could include:
- Provision of apprenticeships and higher level apprenticeships at ISCED Level 3 (upper secondary education) or above for individuals in the target groups, and actions to encourage the availability and take up of apprenticeship and higher level apprenticeship places;
  - Actions to provide intermediate and higher level technical and job specific vocational qualifications at ISCED Level 3 (upper secondary) and above for employed individuals in the target groups in order to upskill the workforce and to address skills gaps, shortages and mismatches; and
  - Targeted interventions to stimulate demand for skills and workforce development and to provide the skills needed at ISCED Level 3 (upper secondary education) and above to support organisational growth and adaptability to economic and labour market challenges, including High Performance Working.
13. The planned actions described above within each Specific Objective provide indicative areas of action which operations could take forward. All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation's identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.
14. Beneficiaries of funding within this Investment Priority and under each of the Specific Objectives above are expected to include the public sector (local authorities, the Welsh Government); NGO's (non governmental organisations including the Third Sector); education providers; universities; and the private sector.

[1] Welsh Government (2014); *Skills implementation plan – Delivering the policy statement on skills*  
<http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/skills-implementation-plan/?lang=en>

### 1. **Specific Objective 3**

2. In delivering to **Specific Objective 3**, actions under this Investment Priority will target individuals who possess a graduate degree or equivalent as a minimum. These may be employed, unemployed or in full time education at point of enrolment to ESF. Actions will work through academia and the private sector in the development of the higher skills at ISCED Levels 7 and 8 needed to drive encourage and support research and innovation to support wider Welsh ambitions to increase research and innovation.

<b>Investment priority</b>	10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
<p>3. Actions will act as part of a coordinated approach within the Priority Axis to embed research and innovation in enterprise through delivering demand led investments which align higher level skills with clear economic, commercial and business benefits. All actions will be aligned with the Grand Challenge areas set out <i>Science for Wales: A strategic agenda for science and innovation in Wales</i> of:</p> <ul style="list-style-type: none"> <li>○ Life Sciences and Health;</li> <li>○ Advanced Engineering and Materials;</li> <li>○ Low Carbon, Energy and Environment; and</li> <li>○ The underpinning area of ICT and the Digital Economy.</li> </ul> <p>4. By focusing on demand led investments which respond to LMI, the actions will align investments in the human capital (the skilled workforce) with the needs and priorities of businesses[2]. By doing this, they aim to stimulate an increase in the volume and quality of R&amp;I activity, supporting the greater commercialisation of research and increasing the percentage investment in R&amp;I activities. In this way, actions will complement and add value to actions supported by other EU funded programmes, notably the ERDF and Horizon 2020 programmes.</p> <p>5. Indicative actions which could be undertaken in support of <b>Specific Objective 3</b> and to the target groups identified above could include:</p> <ul style="list-style-type: none"> <li>○ Actions to deliver research and innovation qualifications at ISCED Levels 7 (Master’s) and 8 (Doctoral) undertaken in partnership between learning providers and enterprise and aligned to the Grand Challenge areas of “Life Sciences and Health”; “Advanced Engineering and Materials”; “Low Carbon, Energy and Environment”; and “ICT and the Digital Economy”; and,</li> <li>○ Actions driven by the private sector in collaboration with learning providers to increase the supply of individuals with higher skills in research and innovation.</li> </ul> <p>6. The planned actions described above within each Specific Objective provide indicative areas of action which operations could take forward. All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation’s identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.</p> <p>7. Beneficiaries of funding within this Investment Priority and under each of the Specific Objectives above are expected to include the public sector (local authorities, the Welsh Government); NGO's (non governmental organisations including the Third Sector); education providers; universities; and the private sector.</p>	
<p>[1] Welsh Government (2014); <i>Skills implementation plan – Delivering the policy statement on</i></p>	



<b>Investment priority</b>	10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
<i>skills</i> <a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/skills-implementation-plan/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/skills-implementation-plan/?lang=en</a>	
[2] Wales Employment and Skills Board (2011); <i>Skills for Jobs: Priorities</i>	

### 2.A.6.2 Guiding principles for selection of operations

<b>Investment priority</b>	10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
<ol style="list-style-type: none"> <li>1. The common principles to guide future selection of operations across all Investment Priorities, including targeting mechanisms to provide a focus for investment, are set out under the Common Principles section of Investment Priority 9i “Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability”. These common selection principles will apply equally to this Investment Priority.</li> <li>2. <b>Additional principles relevant to the specific Investment Priority</b></li> <li>3. Investment in skills and qualifications should look to achieve, or progress individuals where possible, to intermediate level or above on the National Qualification Framework (NQF), outlining clear progression routes for those with no / low skills.</li> <li>4. Actions should be demand led, flexible and responsive to labour market fluctuations; utilising and responding to LMI, to identify skills needs which will underpin economic growth and investment.</li> <li>5. Operation design should take into consideration the need to stimulate employer demand for skills and incentivise appropriate employer or participant contributions, especially for higher level skills, to help develop a stronger culture of cost sharing within operations.</li> <li>6. Actions will be consistent with Welsh Government Skills Strategies and the Welsh Government Policy Statement on Skills[1], in line with the Welsh Government’s Tackling Poverty Action Plan, skills interventions will be aligned with broader initiatives targeting poverty, specifically in-work poverty.</li> <li>7. Unless otherwise specified within the output indicators for this investment priority all operations seeking support within this investment priority area will be required to establish appropriate operation level output targets, at a minimum, within the following categories: <ul style="list-style-type: none"> <li>○ Gender;</li> <li>○ Age (under 25, over 54 years);</li> <li>○ Disability;</li> <li>○ Work limiting health conditions;</li> </ul> </li> </ol>	

<b>Investment priority</b>	10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
<ul style="list-style-type: none"> <li>○ Migrants / BME / Minorities (including marginalised communities such as the Roma); and</li> <li>○ Care / Childcare responsibilities.</li> </ul> <p>8. Any public support under this programme must comply with the procedural and material State Aid rules applicable at the point of time when the public support is granted.</p> <p>[1] Welsh Government Policy Statement on Skills <a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/?lang=en</a></p>	

#### 2.A.6.3 *Planned use of financial instruments* (where appropriate)

<b>Investment priority</b>	10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
<p>1. The first phase ex-ante assessment of the use of Financial Instruments (FI) in ESF concluded that in most cases there was limited potential for FI in the delivery of the actions outlined above and any potential approach is likely to be less effective than a grant based approach in terms of achieving the results sought. It is therefore not proposed to utilise FI in the delivery of the actions within this Investment Priority.</p>	

#### 2.A.6.4 *Planned use of major projects* (where appropriate)

<b>Investment priority</b>	10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
<p>1. This is not applicable for ESF.</p>	

## 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences								
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data		Frequency of reporting
					M	W	T			
1173F	Employed, including self-employed participants with qualifications up to and including a lower secondary education (ISCED 2) - Female	Number	ESF	More developed			12,650.00	Management Systems	Information	Quarterly
1173M	Employed, including self-employed participants with qualifications up to and including a lower secondary education (ISCED 2) - Male	Number	ESF	More developed			10,888.00	Management Systems	Information	Quarterly
1178F	Employed, including self-employed participants with lower secondary education (ISCED 2) - Female	Number	ESF	More developed			11,309.00	Management Systems	Information	Quarterly
1178M	Employed, including self-employed participants with lower secondary education (ISCED 2) - Male	Number	ESF	More developed			9,372.00	Management Systems	Information	Quarterly
1179F	Employed, including self employed participants with upper secondary (ISCED 3) education or above - Female	Number	ESF	More developed			8,785.00	Management Systems	Information	Quarterly
1179M	Employed, including self employed participants with upper secondary (ISCED 3) education or above - Male	Number	ESF	More developed			7,796.00	Management Systems	Information	Quarterly
1180M	Participants with graduate degree or equivalent - Male	Number	ESF	More developed			125.00	Management systems	Information	Quarterly
1181F	Participants with graduate degree or equivalent - Female	Number	ESF	More developed			125.00	Management systems	information	Quarterly

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	8iv
<b>Title of the investment priority</b>	Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work

### 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	2.3
<b>Title of the specific objective</b>	To improve the position of women in the workforce.
<b>Results that the Member States seek to achieve with</b>	1. The main focus of this Specific Objective is to improve the position of women in the workplace. It will specifically

<p><b>Union support</b></p>	<p>target employed women, complementing interventions being taken forward under Priority Axis 1 to increase the employability of those women who are economically inactive or long term unemployed and who face complex barriers to employment.</p> <ol style="list-style-type: none"> <li>2. The Specific Objective, recognising the range of factors influencing the position of women in the workforce, as outlined in the Strategy, will also target employers to raise their awareness of gender disadvantage in the workforce and to support the development of equality and diversity policies and flexible working practices.</li> <li>3. While there are some high level measures of women’s position in the workforce (such as the gender pay gap, the representation of women in senior positions and the percentage of women who work part time) these measures are directly influenced by a wide range of external factors. ESF interventions taken in isolation cannot result in any significant changes to these measures.</li> <li>4. Therefore, the direct results for this Specific Objective will focus on the number of the target group gaining a qualification upon leaving and upon the number of participants who have an improved position in the labour market (such as progression to more senior position, an increase in their pay or working hours or a move to more flexible working patterns) upon leaving. The number of enterprises adopting equality and diversity strategies as a result of ESF interventions will also be measured.</li> <li>5. It may also be possible through evaluation to consider the longer term impact of these interventions on wider socio-economic measures relating to women’s position in the workforce in a way that takes account of the range of external factors that influence these measures.</li> <li>6. Baselines have been set for the result indicators based on comparable activity supported through previous ESF provision. The target for participants gaining a qualification upon leaving has been set to maintain the high level of achievement against this measure in current ESF provision while the target for supported enterprises adopting equality and diversity strategies represents our ambition to build upon current achievement and to increase upon the baseline. The target for participants with an improved labour market situation upon leaving represents an ambition to achieve a true increase on the baseline while being set at a realistic level that recognises that it is measured at the point when a participant leaves an intervention.</li> </ol>
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**Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for the ESF)**

Investment priority : 8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work														
ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis for target setting	Baseline value			Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
					M	W	T			M	W	T		
CR03	participants gaining a qualification upon leaving	More developed	Number	employed, including self-employed			73.00	Ratio (%)	2013			73.00	Management Systems Information	Quarterly
I101	Employed, including self-employed participants with an improved labour market situation upon leaving	More developed	Ratio				14.00	Ratio (%)	2013			40.00	Management Systems Information	Quarterly
I109	Employers adopting or improving equality and diversity strategies and monitoring systems	More developed	Ratio				45.00	Ratio (%)	2013			50.00	Management Systems Information	Quarterly

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work
<p><b>1. Specific Objective 3</b></p> <p>2. In delivering to Specific Objective 3, actions within this Investment Priority will primarily target employed females with some complementary organisational and enterprise based actions also. In raising issues of equality and diversity within the workforce, indirect benefits may be accrued to employed males also, although they will not be the target group.</p> <p>3. Focus will be placed on actions and skills provision to improve the position of women in the workforce, supporting their progression to more senior positions, enabling an increase in their working hours or allowing them to benefit from more flexible working practices, as well as enhancing their job security and enabling them to access a wider range of employment options. Actions will also raise the awareness of employers of gender disadvantage in the workforce.</p> <p>4. Actions will operate as part of a coordinated Priority Axis to increase the skills levels of women in the workforce and to raise the awareness of employers of issues around gender disadvantage in the workforce. Action will prioritise qualifications at all levels for participants however individuals will also be supported to access training and enter into further learning if relevant. Additionally, in support of the overall Cross Cutting Themes objectives a greater number of employers will have equality and diversity policies in place.</p> <p>5. Action will be taken to reduce the current under-representation of women at senior levels by supporting their progression within the workplace, through raising their skills levels and equipping them with an increased capability to achieve their full potential and develop their career. Actions will build on the progress made across Wales and by the 2007-2013 ESF programmes for WWV to address and promote gender equality in the</p>	

<b>Investment priority</b>	8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work
<p>workplace in EW.</p> <ol style="list-style-type: none"> <li>6. The Equality Impact Assessment supports the view that actions to raise awareness among employers of gender disadvantage in the workforce and to support the development of equality and diversity policies will enable employers to address issues that cause gender disadvantage. Actions will also support efforts to tackle gender stereotyping, , thereby enabling an increased participation of both men and women in non-traditional work areas.</li> <li>7. Additionally, actions that support the delivery of flexible and practical working solutions to women will support their increased effectiveness and sustainability within the workplace and support them to achieve their full potential. The adoption of flexible working practices is likely to be of significant benefit to women, who may be subject to inequality of opportunity or even discrimination regarding pregnancy and maternity rights, or the need to provide childcare.</li> <li>8. There is also potential for actions supported under this Specific Objective to deliver some indirect benefits to men through the positive action on addressing gender stereotyping, thereby facilitating an increased participation of both men and women in non-traditional work areas.</li> <li>9. Indicative actions which could be undertaken in support of Specific Objective 3 and to the target groups identified above could include: <ul style="list-style-type: none"> <li>○ Actions which offer flexible working practices and solutions to women to provide them with increased job security, increased or more flexible working hours, increased pay and/or career advancement;</li> <li>○ Interventions which provide women with the support and skills development to promote career advancement and progression within the workplace; and</li> <li>○ Actions with employers which raise their awareness of gender disadvantage in the workforce and to support the development of equality and diversity policies and flexible working practices.</li> </ul> </li> <li>10. The planned actions described above provide indicative areas of action which operations could to take forward. All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation's identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.</li> <li>11. Beneficiaries of funding within this Investment Priority and under the Specific Objective are expected to be the public sector (local authorities, the Welsh Government); NGO's (non governmental organisations to include the Third Sector); and the private sector.</li> </ol>	

**2.A.6.2 Guiding principles for selection of operations**

<b>Investment priority</b>	8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work
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<b>Investment priority</b>	8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work
<ol style="list-style-type: none"> <li>1. The common principles to guide future selection of operations across all Investment Priorities, including targeting mechanisms to provide a focus for investment, are set out under the Common Principles section of Investment Priority 9i “Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability”. These common selection principles will apply equally to this Investment Priority.</li> <li>2. <b>Additional principles relevant to the specific Investment Priority</b></li> <li>3. Investments in skills should look to achieve or progress individuals, where possible, to intermediate level or above on the National Qualification Framework (NQF), outlining clear progression routes for those with no / low skills.</li> <li>4. Actions should be demand led, flexible and responsive to labour market fluctuations; utilising and responding to Labour Market Intelligence to identify skills needs which will underpin economic growth and investment.</li> <li>5. Actions will have strong linkages with the wider cross cutting theme of equality and actions in other priorities to tackle gender stereotyping and increasing participation of both men and women in non traditional work areas.</li> <li>6. Actions will be consistent with Welsh Government Skills Strategies and the Welsh Government Policy Statement on Skills[1], the Strategic Equality Plan and, in line with the Welsh Government’s Tackling Poverty Action Plan, skills interventions will be aligned with broader initiatives targeting poverty, specifically in-work poverty.</li> <li>7. Unless otherwise specified within the output indicators for this investment priority all operations seeking support within this investment priority area will be required to establish appropriate operation level output targets, at a minimum, within the following categories: <ul style="list-style-type: none"> <li>○ Gender;</li> <li>○ Age (under 25, over 54 years);</li> <li>○ Disability;</li> <li>○ Work limiting health conditions;</li> <li>○ Migrants / BME / Minorities (including marginalised communities such as the Roma); and</li> <li>○ Care / Childcare responsibilities.</li> </ul> </li> <li>8. For SO2 it is anticipated, at a programme level, that of the total Employed, including self employed participants target in table 5; 25% will be above 54 years of age and 31% will work part time.</li> <li>9. Any public support under this programme must comply with the procedural and material State Aid rules applicable at the point of time when the public support is granted.</li> </ol>	

<b>Investment priority</b>	8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work
[1] Welsh Government Policy Statement on Skills <a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/?lang=en</a>	

#### 2.A.6.3 Planned use of financial instruments (where appropriate)

<b>Investment priority</b>	8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work
<p>1. The ex-ante assessment of the use of Financial Instruments (FI) in ESF did not specifically review the actions within this objective however in reviewing the remaining elements of the ESF programmes a number of equalities and equal opportunity based actions were considered and the evaluation concluded that in most cases there was limited potential for FI in the delivery of the actions outlined above and any potential approach is likely to be less effective than a grant based approach in terms of achieving the results sought. It is therefore not proposed to utilise FI in the delivery of the actions within this Investment Priority.</p>	

#### 2.A.6.4 Planned use of major projects (where appropriate)

<b>Investment priority</b>	8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work
<p>1. This is not applicable for ESF.</p>	

#### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		



Investment priority		8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO05	employed, including self-employed	Number	ESF	More developed	0.00	1,500.00	1,500.00	Management Information Systems	Quarterly
CO23	number of supported micro, small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy)	Number	ESF	More developed	0.00	0.00	300.00	Management Information Systems	Quarterly

## 2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

Priority axis	2 - Skills for Growth
<p><b>1. Promotion of Social Innovation (SI) within the Priority Axis</b></p> <p>2. All operations will be encouraged to consider the opportunities SI provides to pilot or develop innovative approaches to delivery. Operations will be encouraged to consider options to undertake small scale SI to explore alternative delivery models or target specific groups with a view to incorporating and scaling up successful delivery. Such small scale trialling, particularly through commissioning or procurement, will engage the third sector, community groups and social partners in a risk based approach to developing new delivery models which can add to and complement successful delivery models already in place.</p> <p>3. Potential areas for SI actions across the programme might include:</p> <ul style="list-style-type: none"> <li>○ targeting of specific under-represented groups with a view to up-scaling into core activity and the delivery of enhanced equality outcomes;</li> <li>○ trialling, on a risk basis, new models of delivery, especially within well established delivery methodology or approaches; and,</li> <li>○ support to trial and develop sustainable exit strategies through testing of new delivery models.</li> </ul> <p>4. Opportunities for SI may develop as operations progress. It will not be necessary for SI activity to be fully scoped however the principle and mechanics of trialling and subsequent mainstreaming of lessons learnt will need to be outlined where SI action is anticipated. Larger strategic interventions should have an evidence base indicating where trialling or piloting of approaches would work most effectively.</p> <p>5. SI actions will be subject to specific monitoring and more rigorous evaluation with lessons learnt being disseminated both within operations and across WEFO. SI actions can take place as discreet elements of larger strategic operations or as discreet stand alone operations.</p> <p>6. Specific actions within this Priority Axis might include, but are not limited to:</p> <ul style="list-style-type: none"> <li>○ Innovative approaches to support the targeting of specific underrepresented target groups.</li> </ul> <p>7. Through this approach it will also be possible to incorporate linkages with LEADER groups within EAFRD (or Fisheries Local Action Groups (FLAG's) within EMFF). LEADER groups or FLAG's, will be able to engage in commission processes for SI actions particularly for trialling new approaches with a view to mainstreaming successful delivery models. These groups will also be able to work through the regional and spatial approaches described in the Welsh Chapter of the UK Partnership Agreement and in Section 4 of this OP to encourage mainstreaming of activity funded through other ESI funds into collaborative ESF proposals.</p>	

**8. Specific Provision for Transnational Cooperation**

9. It is not proposed to target actions supported under this Priority Axis for transnational cooperation. Transnational cooperation actions within the EW ESF Programme will be targeted towards addressing specific needs within EW, while maximising the added value that can be delivered by transnational cooperation. Priority for transnational cooperation actions is therefore given to actions supported by the Tackling Poverty through Sustainable Employment and Youth Employment Priority Axes, which offer significant opportunity for transnational cooperation to be used to develop common solutions to common and emerging issues; to strengthen capacities to innovate, modernise and adapt to new socio-economic challenges; and to promote and share information and good practice.

**10. The contribution of the ESF to Thematic Objectives 1-7**

11. ESF investments in human capital will be centred on and deliver to the future needs of enterprise and business, supporting the development of a modern, knowledge based economy. ESF investments made under TO 8, 9 and 10 are designed to complement and combine with investments made by ESI funds under TO 1-7. Where clear additionality to provision under EAFRD and EMFF is demonstrable, individuals involved in farming, fishing and aquaculture will be able to access ESF support. This approach will facilitate and enable the optimal realisation of the overall aims and objectives of the ESI Funds in Wales and support the integrated approach to implementation outlined in Section 4.
12. ESF investments in this Priority Axis to up-skill the workforce and to address specific skills gaps and support the development of technical skills will underpin the ability of enterprise to increase its productivity and competitiveness, complementing and adding value to ERDF, EAFRD and EMFF investments under TO3 to increase SME productivity including through supporting SME's to grow and increase productivity through diversification into new markets.
13. Non sector specific ESF skills interventions will complement and underpin EAFRD and EMFF actions under TO 2, 3 and 4 to support rural and coastal (including fisheries and aquaculture) businesses to adopt new technology and increase efficiencies and to develop local supply chains that link into economic growth opportunities. There is also potential for skills interventions to complement land based measures being supported by the EAFRD programme under TO 5 and 6.
14. ESF investments could also support, on a demand led basis, the development of the specialised and higher level skills required to realise the potential of investments in ICT and innovative and emergent technologies being supported by the ERDF, EAFRD and EMFF programmes under TO 1, 2 and 4. ESF skills investments could help to realise the ERDF programme's objective to increase the capacity and capability of Welsh businesses to win business in the development and installation of these technologies.

## 2.A.8 Performance framework

**Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)**

Priority axis		2 - Skills for Growth											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
P2F	F	Expenditure	€	ESF	More developed			60,000,000			178,000,000.00	Management Information Systems	These indicators cover all of Specific Objective 1 and 60% of Specific Objective 2 in East Wales which amounts to approximately 82% of the Priority Axis.
1173F	O	Employed, including self-employed participants with qualifications up to and including a lower secondary education (ISCED 2) - Female	Number	ESF	More developed			4898			12,000.00	Management Information Systems	These indicators cover all of Specific Objective 1 and 60% of Specific Objective 2 in East Wales which amounts to approximately 82% of the Priority Axis.
1173M	O	Employed, including self-employed participants with qualifications up to and including a lower secondary education (ISCED 2) - Male	Number	ESF	More developed			5380			10,000.00	Management Information Systems	These indicators cover all of Specific Objective 1 and 60% of Specific Objective 2 in East Wales which amounts to approximately 82% of the Priority Axis.
1178F	O	Employed, including self-employed participants with lower secondary education (ISCED 2) - Female	Number	ESF	More developed			1,495			11,309.00	Management Information Systems	These indicators cover all of Specific Objective 1 and 60% of Specific Objective 2 in East Wales which amounts to approximately 82% of the Priority Axis.
1178M	O	Employed, including self-employed participants with lower secondary education (ISCED 2) - Male	Number	ESF	More developed			1,642			9,372.00	Management Information Systems	These indicators cover all of Specific Objective 1 and 60% of Specific Objective 2 in East Wales which amounts to approximately 82% of the Priority Axis.

### Additional qualitative information on the establishment of the performance framework

1. *Financial indicators*
2. The 2023 target is the total Eligible Expenditure allocation for the Priority Axis, whilst the 2018 target is based on N+3 Eligible Expenditure.
3. *Output indicators*
4. The overall approach used to set targets within the 2014-2020 WWV ESF programme and the EW ESF programme involved mapping activity from appropriate and comparable projects funded under the 2007-2013 WWV ESF Convergence Programme. These were selected to best reflect the targeted approach and proposed activity to be funded as outlined in the 2014-2020 ESF Programmes. Projects' achievements to date of mapped activity were compared with spend to date and projects' current final targets were compared with their total financial allocation. The resulting ratios were then scaled to indicative funding allocations under the future Specific Objectives of each the Investment Priorities to derive a set of targets for the indicators.
5. In some cases where the ambition of the 2014-2020 programmes was substantially different to the current 2007-13 delivery a policy based approach is utilised selecting comparable targets reflecting the emphasis of the programme within each priority and the aspirations and objectives for change.. In all cases evidence of Unit costs etc. within the current programme are utilised to ensure these policy based targets are achievable within the funding parameters available. In addition, the use of National Statistics, where available, based on the current population share for key demographic groups, is used in order to provide aspirational targets to ensure the fair distribution of funds. This approach is supplemented with additional evidence and experience from the current 2007-2013 programming period and the targeting outlined in the proposed ESF programmes. In some cases a combination of these methods has been used.
6. The 2023 target is the final target for this Output indicator under the Priority Axis, whilst the 2018 target is based on the same ratio as the 2018 Financial indicator target, and unit costs.

## 2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

### Tables 7-11: Categories of intervention

**Table 7: Dimension 1 - Intervention field**

Priority axis		2 - Skills for Growth	
Fund	Category of region	Code	€ amount
ESF	More developed	105. Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work	4,930,322.00
ESF	More developed	117. Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	81,193,583.00

**Table 8: Dimension 2 - Form of finance**

Priority axis		2 - Skills for Growth	
Fund	Category of region	Code	€ amount
ESF	More developed	01. Non-repayable grant	86,123,905.00

**Table 9: Dimension 3 - Territory type**

Priority axis		2 - Skills for Growth	
Fund	Category of region	Code	€ amount
ESF	More developed	01. Large Urban areas (densely populated >50 000 population)	42,424,636.00
ESF	More developed	02. Small Urban areas (intermediate density >5 000 population)	30,100,305.00
ESF	More developed	03. Rural areas (thinly populated)	13,598,964.00

**Table 10: Dimension 4 - Territorial delivery mechanisms**

Priority axis		2 - Skills for Growth	
Fund	Category of region	Code	€ amount
ESF	More developed	07. Not applicable	86,123,905.00

**Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)**

Priority axis		2 - Skills for Growth	
Fund	Category of region	Code	€ amount
ESF	More developed	01. Supporting the shift to a low-carbon, resource efficient economy	4,420,238.00
ESF	More developed	04. Strengthening research, technological development and innovation	8,840,475.00
ESF	More developed	07. Gender equality	5,304,285.00
ESF	More developed	08. Not applicable	67,558,907.00

**2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)**

Priority axis:	2 - Skills for Growth
1. The planned use of Technical Assistance will be addressed in the specific Technical Assistance Priority Axis.	

## 2.A.1 Priority axis

ID of the priority axis	3
Title of the priority axis	Youth Employment

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)

## 2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

1. The Priority Axis has been developed in line with the aims of the ESF Programme in EW and in particular the aim:
  - *To invest in our young people to create a vibrant and responsive future workforce with the skills needed to respond to the needs of a challenging knowledge based economy.*
2. Two key programme objectives outlined in the strategy apply also:
  - *To increase youth employment and attainment, thereby reducing poverty and disadvantage in our young people; and*
  - *To reduce inequalities in the labour market amongst women and recognised equality groups.*
3. The recent economic downturn has significantly impacted on youth employment. More young people are finding it harder to move from education into employment.
4. The Priority Axis has been developed to focus on addressing the relatively high youth unemployment in EW with sustainable employment outcomes at its core. The Priority Axis will also include some early preventative actions to support those most at risk of becoming Not in Education Employment or Training (NEET) to move through education into employment. Thereby aligning to the Country Specific Recommendations.
5. This approach and the associated Thematic Objectives (9)(8) - *promoting sustainable and quality employment and supporting labour mobility* and (9)(10) - *Investing in education, training and vocational training for skills and life-long learning* within the Priority Axis will support youth employment outcomes while increasing the potential impact of investments.
6. The Priority Axis will align closely with the Welsh Government Youth Engagement and Progression Framework[1], supporting the identification, tracking and mapping of services and outcomes for young people from education into employment. This alignment will ensure a consistent

approach in supporting young people and that ESF investments add value to an integrated approach to achieving the programme aims and objectives.

7. In line with the approach above the definition of ‘young people’ has been extended to 24 years of age ensuring ESF investments support individuals at most risk as they move through education into sustainable employment, reducing the risk of becoming NEET and ensuring interventions begin early and tackle key transition points.
8. A key challenge will be the effective use of interventions to respond to labour market demands to identify and exploit growth opportunities and continue to enhance the competitiveness of EW. Evidence shows that the fastest growing occupational groups require skills at NQF Levels 3, 4 and above; the fastest declining occupations cluster around NQF Level 2 and below. STEM skills are also seen as vital to areas of future growth and employment[2][3]. In 2013, 39% of UK employers who recruit staff with STEM skills reported difficulties recruiting such skills[4].
9. The alignment of interventions within this Priority Axis will ensure that young people’s skills and career aspirations are consistent with employer demand, growth opportunities and the needs of the economy.

[1] Welsh Government:

<http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/;jsessionid=1847D153EF2A644B7B4A0EE1EC4EEDC4?lang=en> and <http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/?lang=en>

[2] Wales Employment and Skills Board (2011); *Skills for Jobs: Priorities July 2011*

[3] Advanced Materials and Manufacturing (AM&M) Summary Advice from the Sector Panel

[4] Pearson/CBI Education and Skills Surveys of 2008 and 2013

### 2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ESF	More developed	Total	

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	10i
<b>Title of the investment priority</b>	Reducing and preventing early school leaving and promoting equal access to good quality early childhood, primary and secondary education including formal, non formal and informal learning pathways for reintegrating into education and training

### 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	3.2
<b>Title of the specific objective</b>	To reduce the number of those at risk of becoming NEET amongst 11-24 year olds.
<b>Results that the Member States seek to achieve with Union support</b>	<ol style="list-style-type: none"> <li>1. This Specific Objective aims to reduce the risk of becoming NEET amongst 11-24 year olds with a specific focus on those at highest risk. The investments will complement actions across the priority targeting NEET and Youth Unemployment by taking early action amongst those who are in education to reduce the risk of them dropping out of education or not entering employment following education.</li> <li>2. Alignment of investments within this priority to the Welsh Government Youth Engagement and Progression Framework and its core standards on early identification of those at risk of NEET will ensure a consistent approach to the identification and tracking of individuals within this cohort.</li> <li>3. The Early identification approach focuses as a core, on attendance, behaviour and attainment indicators in defining risk of NEET although other local indicators may be added. The primary result of interventions within this Specific Objective therefore will be a reduced risk of NEET as measured by the tracking systems within the framework.</li> <li>4. Additional measures of reduced risk will include measuring the number of qualifications gained and, reflecting the importance of targeting key transition points in the reduction of risk of NEET, measuring progression into further education or training.</li> <li>5. Alignment with the Youth Engagement and Progression Framework will also ensure that actions within this Specific Objective will help address in the longer term the structural and persistent issues of non-engagement which are present through all economic conditions.</li> <li>6. Baselines have been set for the result indicators based on comparable activity supported through previous ESF provision or similar activity elsewhere. For the reduced risk of NEET measure, it has not been possible to set a baseline as the</li> </ol>



	<p>Framework is a new approach which, in part, is responding to lessons learnt through ESF and other activity on the need for early and consistent identification mechanisms. For this same reason, it is not currently possible to set a target value for this indicator. An Action Plan has therefore been set out in Table 25 of Section 9 to establish this target value by the end of December 2016.</p> <p>7. For the other measures, the targets reflect baselines which have a wider previous definition of Risk of NEET and therefore remain challenging for this more defined cohort.</p>
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**Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for the ESF)**

Investment priority : 10i - Reducing and preventing early school leaving and promoting equal access to good quality early childhood, primary and secondary education including formal, non formal and informal learning pathways for reintegrating into education and training														
ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis for target setting	Baseline value			Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
					M	W	T			M	W	T		
1125	Participants at risk of becoming NEET (11-24) gaining qualifications upon leaving	More developed	Ratio				27.00	Ratio (%)	2013			27.00	Management Systems Information	Quarterly
1127	Participants at risk of becoming NEET(11-24) into education or training upon leaving	More developed	Ratio				18.00	Ratio (%)	2013			18.00	Management Systems Information	Quarterly
1128	Participants at risk of becoming NEET (11-24) at reduced risk of becoming NEET upon leaving	More developed	Ratio				0.00	Ratio (%)	2013			0.00	Management Systems Information	Quarterly

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	10i - Reducing and preventing early school leaving and promoting equal access to good quality early childhood, primary and secondary education including formal, non formal and informal learning pathways for reintegrating into education and training
	<ol style="list-style-type: none"> <li>1. In delivering to <b>Specific Objective 2</b>, actions within this Investment Priority will target young people between the ages of 11-24 at highest risk of becoming NEET, as identified through the identification and tracking system outlined in the Welsh Government Youth Engagement and Progression Framework.</li> <li>2. Actions will operate as part of a coordinated Priority Axis which delivers to the longer term needs of our young people, supporting the engagement of those at highest risk of NEET through transitions from education into employment, providing a range of interventions which will complement and add value, but do not duplicate, mainstream services.</li> <li>3. Action will prioritise qualification and further learning outcomes for participants however utilising the identification and tracking system within the Youth Employment and Progression Framework, results associated with a reduction of risk of NEET will also be achieved. Actions will also positively reinforce choices and help to break down traditional gender stereotypes in employment and learning and broaden horizons for non traditional job roles or employment sectors.</li> <li>4. Increasing attainment levels, reducing ESL and early action on NEET, focused on those at highest risk of disengagement or becoming NEET, will support the Priority Axis objective of reducing youth unemployment through early structural interventions preventing disadvantage and disengagement.</li> <li>5. Increased competition in the labour market puts a sharper focus on the importance of supporting early attainment and engagement[1]. Early</li> </ol>

<b>Investment priority</b>	10i - Reducing and preventing early school leaving and promoting equal access to good quality early childhood, primary and secondary education including formal, non formal and informal learning pathways for reintegrating into education and training
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intervention to reduce risk of NEET can have significant longer term impacts. The Youth Engagement and Progression Framework notes that failure to engage young people increases the costs associated with health and social services and contributes to the challenges associated with long-term unemployment, while the Wales Audit Office estimates the lifetime cost of the current numbers of young people 16-18 who are NEET is £626 million in public finance costs and £1.21 billion in resource costs.[2]

6. Due to the nature of the NEET cohort, actions will naturally focus on but will not be limited to supporting those young people (11-24) from specific groups including young offenders, young people from Black and Minority Ethnic (BME) backgrounds, teenage mothers and young people with disabilities or with special educational needs or care leavers who might face additional barriers to engagement or attainment.
7. Indicative actions which could be undertaken in support of **Specific Objective 2** and to the target groups identified above could include Actions planned to deliver to Specific Objective 2 and to the target groups above include:
  - Early targeted action to combat disaffection, provide access to a broader and innovative range of learning options supporting the acquisition of both vocational and higher level skills and prevent young people from falling out of education; and
  - Actions to help those who are, or at risk of becoming, NEET to continue or re-engage with education, to develop their skills and attainment, to make more effective career decisions and to gain access to the alternative curriculum.
8. The planned actions described above within each theme provide indicative areas of action which operations delivering to this Specific Objective could take forward. All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation's identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.
9. Beneficiaries of funding are expected to include the public sector (local authorities, the Welsh Government); NGO's (non governmental organisations including the Third Sector); education providers; universities and the private sector.

[1] UKCES (2011) The Youth Enquiry: Employer Perspectives on Tackling Youth Unemployment

[2] Wales Audit Office (2014); *Young people not in education, employment or training*

### 2.A.6.2 Guiding principles for selection of operations

<b>Investment priority</b>	10i - Reducing and preventing early school leaving and promoting equal access to good quality early childhood, primary and secondary education including formal, non formal and informal learning pathways for reintegrating into education and training
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1. The common principles to guide future selection of operations across all Investment Priorities, including targeting mechanisms to provide a focus for investment, are set out under the Common Principles section of Investment Priority 9i “Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability”. These common selection principles will apply equally to this Investment Priority.
2. **Additional principles relevant to the specific Investment Priority**
3. Actions must respond to labour market demands to identify and exploit growth opportunities and continue to enhance the competitiveness of the area. Actions must be responsive to the needs of the economy, aligned to labour market information and be linked to employers to ensure that skills, interventions and the career aspirations of our young people are consistent with employer demand and emerging growth opportunities.
4. Interventions will integrate with actions within Specific Objective 1 of this Priority Axis to support progression at key transition points for those at most risk of becoming NEET and will work with wider initiatives aimed at addressing the needs of our young people.
5. Actions must align to the Welsh Government’s Youth Engagement and Progression Framework[1].
6. Unless otherwise specified within the output indicators for this investment priority all operations seeking support within this investment priority area will be required to establish appropriate operation level output targets, at a minimum, within the following categories:
  - Gender;
  - Disability;
  - Work limiting health conditions;
  - Migrants / BME / Minorities (including marginalised communities such as the Roma); and
  - Care / Childcare responsibilities.
7. For SO2 it is anticipated, at a programme level, that of the total at risk of becoming NEET participants (11-24, male and female) target in table 5; 10% will have a disability.
8. Any public support under this programme must comply with the procedural and material State Aid rules applicable at the point of time when the public support is granted.

[1] Welsh Government:

<b>Investment priority</b>	10i - Reducing and preventing early school leaving and promoting equal access to good quality early childhood, primary and secondary education including formal, non formal and informal learning pathways for reintegrating into education and training
<a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/;jsessionid=1847D153EF2A644B7B4A0EE1EC4EEDC4?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/;jsessionid=1847D153EF2A644B7B4A0EE1EC4EEDC4?lang=en</a>	

#### 2.A.6.3 Planned use of financial instruments (where appropriate)

<b>Investment priority</b>	10i - Reducing and preventing early school leaving and promoting equal access to good quality early childhood, primary and secondary education including formal, non formal and informal learning pathways for reintegrating into education and training
The ex-ante assessment of the use of Financial Instruments in ESF concluded that FI for the proposed actions were inappropriate, unlikely to be cost effective and be too dependent on uncertain employment outcomes. It is therefore not proposed to utilise FI in the delivery of the proposed actions.	

#### 2.A.6.4 Planned use of major projects (where appropriate)

<b>Investment priority</b>	10i - Reducing and preventing early school leaving and promoting equal access to good quality early childhood, primary and secondary education including formal, non formal and informal learning pathways for reintegrating into education and training
1. Not applicable for ESF.	

#### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		10i - Reducing and preventing early school leaving and promoting equal access to good quality early childhood, primary and secondary education including formal, non formal and informal learning pathways for reintegrating into education and training							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
1028	Participants at risk of becoming NEET (11-24)	Number	ESF	More developed			18,072.00	Management Information Systems	Quarterly

## 2.A.4 Investment priority

<b>ID of the investment priority</b>	8ii
<b>Title of the investment priority</b>	Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee

## 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	3.1
<b>Title of the specific objective</b>	To reduce the number of 16-24 year olds who are Not in Employment Education or Training (NEET).
<b>Results that the Member States seek to achieve with Union support</b>	<ol style="list-style-type: none"> <li>1. The aim of this Specific Objective, as part of the integrated approach within the priority to address issues of NEET and Youth Unemployment, is to reduce the number of 16-24 years olds who are NEET. This will include those who are unemployed or economically inactive.</li> <li>2. In line with the Country Specific Recommendations, the impact of investments within this Specific Objective, taking into account in-flow and outflow rates, will be to reduce youth unemployment rates in EW. It will also reduce the number of 16-24 year olds who are NEET.</li> <li>3. Direct results of the ESF investments will be centred on measuring the number of those who are classified as NEET 16-24 who move into either Education or Employment as a result of ESF support. Additional result indicators will also measure the number of NEET 16-24 who achieve a qualification as a pathway to sustainable employment, also reflecting the Country Specific Recommendations to reduce the number of young people with low basic skills.</li> <li>4. Baselines have been set for the result indicators based on comparable activity supported through previous ESF provision or similar activity elsewhere. Targets have been set to reflect the overarching ambition to help those who are NEET to access employment building on significant success in the current programme. Other targets reflect baselines as these are deemed to be appropriate whilst not detracting from the need for employment outcomes.</li> </ol>

**Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for the ESF)**

Investment priority : 8ii - Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee														
ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis for target setting	Baseline value			Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
					M	W	T			M	W	T		
1123	NEET Participants (16 - 24 years of age) in education/training upon leaving	More developed	Ratio				17.00	Ratio (%)	2013			17.00	Management Systems Information	Quarterly
1124	NEET Participants (16 - 24 years of age) entering employment upon leaving	More developed	Ratio				25.00	Ratio (%)	2013			28.00	Management Systems Information	Quarterly
1183	NEET Participants (16 - 24 years of age) gaining qualifications upon leaving	More developed	Ratio				18.00	Ratio (%)	2013			20.00	Management Systems Information	Quarterly

## 2.A.6 Action to be supported under the investment priority (by investment priority)

### 2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries

Investment priority	8ii - Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee
	<ol style="list-style-type: none"> <li>In delivering to <b>Specific Objective 1</b>, actions under this Investment Priority will target young people of working age (from 16 up to and including age 24) who are classified as NEET, including unemployed or economically inactive.</li> <li>Actions will operate as part of a coordinated Priority Axis which delivers to the longer term needs of our young people, providing a range of interventions to support and facilitate access to sustained employment both for those who are ready for work and for those who may require additional skills and work focused interventions.</li> <li>Action will prioritise employment outcomes for participants however individuals will also receive support to access further learning, gain qualifications and participate in training as part of supporting access and progression to sustainable employment. For those young people within this target group who may have experienced prolonged periods of worklessness, Interventions may for a short period and where appropriate, provide appropriate measures, such as mentoring, to ensure the sustainability of employment outcomes.</li> <li>ESF investments through this Investment Priority will align with the Welsh Government Youth Engagement and Progression Framework to ensure that investments add value to existing mapped provision and are delivered as part of a coordinated response to addressing the challenges faced by young people in accessing Sustainable Employment. Actions will also help deliver and add value to the Welsh Government Youth Guarantee, enhancing support mechanisms to access a good-quality job traineeship, or continued education for those beyond the first time transition from compulsory education.</li> </ol>

<b>Investment priority</b>	8ii - Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee
<p>5. In addition to the specific objectives of the cross cutting themes and horizontal principles, investments will look to positively reinforce choice and actions which help to break down traditional gender stereotypes in employment and learning and broaden horizons for non traditional job roles or employment sectors, such as females in industries where STEM subjects are required (e.g. Engineering, Information Technology).</p> <p>6. On-going changes in the UK Government Welfare system will bring challenges to the implementation of the youth employment agenda within this Priority Axis. Interventions will need to complement and add value to mainstream delivery whilst avoiding duplication. This will require a certain amount of flexibility to adapt to the changing environment. The principles of specific eligibility around mainstream UK Government programmes will be addressed through the Welsh eligibility guidance documentation, made available via the WEFO website and updated throughout the Programme period.</p> <p>7. Indicative actions which could be undertaken in support of <b>Specific Objective 1</b> and to the target groups identified above could include:</p> <ul style="list-style-type: none"> <li>○ Actions to ensure that young people gain the skills, competencies and experience required to access sustainable employment, including self-employment;</li> <li>○ Actions to support young people to return to education or training to further develop the skills for future employment;</li> <li>○ Actions to support young people to access and maintain sustained employment; and</li> <li>○ Activities with enterprises and educators to challenge traditional assumptions and stereotypes and to raise participation levels in occupations and sectors where a particular gender or recognised equality groups are under-represented.</li> </ul> <p>8. The planned actions described above provide indicative areas of action which operations delivering to this Specific Objective could take forward. All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation’s identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.</p> <p>9. Beneficiaries of funding are expected to be the public sector (local authorities, the Welsh Government); NGO's (non governmental organisations); education providers; universities; and the private sector.</p>	

#### ***2.A.6.2 Guiding principles for selection of operations***

<b>Investment priority</b>	8ii - Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee
<p>1. The common principles to guide future selection of operations across all Investment Priorities, including targeting mechanisms to provide a focus for investment, are set out under the Common Principles section of Investment Priority 9i “Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability”. These common principles will apply equally to this Investment</p>	



<b>Investment priority</b>	8ii - Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee
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Priority.

**2. Additional principles relevant to the specific Investment Priority**

3. Actions must be designed to align with the principles of ensuring that employers have a suitably qualified workforce for the future, that skills development and attainment levels are aligned with growth activity and that young people are engaged in appropriate education and training to meet employment growth areas and employer demand. LMI will form a key part in supporting investments to align interventions with the needs of employers now and in the future.
4. Interventions will integrate with actions within Specific Objective 2 of this Priority Axis to support progression for those at most risk of becoming NEET at key transition points and will work with wider initiatives aimed at addressing the needs of our young people.
5. Actions must align to the Welsh Government’s Youth Engagement and Progression Framework[1].
6. Unless otherwise specified within the output indicators for this investment priority all operations seeking support within this investment priority area will be required to establish appropriate operation level output targets, at a minimum, within the following categories:
  - Gender;
  - Disability;
  - Work limiting health conditions;
  - Migrants / BME / Minorities (including marginalised communities such as the Roma); and
  - Care / Childcare responsibilities
7. For SO1 it is anticipated, at a programme level, that of the total NEET participants (16-24, male and female) target in table 5; 24% will have a disability.
8. Any public support under this programme must comply with the procedural and material State Aid rules applicable at the point of time when the public support is granted.

[1] Welsh Government:

<http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/;jsessionid=1847D153EF2A644B7B4A0EE1EC4EEDC4?lang=en>

**2.A.6.3 Planned use of financial instruments** (where appropriate)

<b>Investment priority</b>	8ii - Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee
<p>1. The ex-ante assessment of the use of Financial Instruments (FI) in ESF concluded that FI for the proposed actions were inappropriate, unlikely to be cost effective and be too dependent on uncertain employment outcomes. It is therefore not proposed to utilise FI in the delivery of the proposed actions. There was seen to be some limited opportunity to utilise ESF FI to support self employment especially around business start up however it was considered that a more cost effective approach would be to ensure closer integration with ERDF funded activity in this area.</p>	

**2.A.6.4 Planned use of major projects** (where appropriate)

<b>Investment priority</b>	8ii - Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee
<p>1. This is not applicable for ESF.</p>	

**2.A.6.5 Output indicators by investment priority and, where appropriate by category of region**

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

<b>Investment priority</b>		8ii - Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
1027	NEET Participants (16 - 24 years of age)	Number	ESF	More developed			21,200.00	Management Information Systems	Quarterly

**2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7**

<b>Priority axis</b>	3 - Youth Employment
<p>1. <b>Promotion of Social Innovation (SI) within the Priority Axis.</b></p> <p>2. All operations will be encouraged to consider the opportunities SI provides to pilot or develop innovative approaches to delivery. Operations will be encouraged to consider options to undertake small scale SI activities to explore alternative delivery models or target specific groups with a</p>	

view to incorporating and scaling up successful delivery. Such small scale trialling, particularly through commissioning or procurement, will engage the third sector, community groups and social partners in a risk based approach to developing new delivery models which can add to and complement successful delivery models already in place. Through this approach it will also be possible to incorporate linkages with LEADER groups within the EAFRD programme.

3. Potential areas for SI actions across the programme might include:
  - targeting of specific under-represented groups with a view to up-scaling into core activity and the delivery of enhanced equality outcomes;
  - trialling, on a risk basis, new models of delivery, especially within well established delivery methodology or approaches; and
  - support to trial and develop sustainable exit strategies through testing of new delivery models.
4. Opportunities for SI may develop as operations progress. It will not be necessary for SI activity to be fully scoped however the principle and mechanics of trialling and subsequent mainstreaming of lessons learnt will need to be outlined where SI action is anticipated. Larger strategic interventions should have an evidence base indicating where trialling or piloting of approaches would work most effectively.
5. SI actions will be subject to specific monitoring and more rigorous evaluation with lessons learnt being disseminated both within operations and across WEFO. SI actions can take place as discreet elements of larger strategic operations or as discreet stand alone operations.
6. Specific actions within this Priority Axis might include, but are not limited to:
  - Innovative approaches to engaging with young people furthest from the labour market with complex and long term barriers, supporting them to access the labour market and achieve sustainable employment; and
  - Innovative approaches targeting those at highest risk of NEET in order to increase engagement and attainment and reduce Early School Leaving.
7. Through this approach it will also be possible to incorporate linkages with LEADER groups within EAFRD (or Fisheries Local Action Groups (FLAG's) within EMFF). LEADER groups or FLAG's, will be able to engage in commission processes for SI actions particularly for trialling new approaches with a view to mainstreaming successful delivery models. These groups will also be able to work through the regional and spatial approaches described in the Welsh Chapter of the UK Partnership Agreement and in Section 4 of this OP to encourage mainstreaming of activity funded through other ESI funds into collaborative ESF proposals.
8. **Specific Provision for Transnational Cooperation**
9. Transnational cooperation actions will be targeted towards addressing specific needs within EW while maximising the added value that can be delivered by transnational cooperation.
10. Actions will involve stakeholders from the public, higher and further education, third and private sectors. Operations may be wholly comprised of transnational cooperation activity or feature transnational cooperation as one strand within the wider operation.
11. Actions will be expected to support transnational cooperation with other Member States which are facing similar challenges to EW and working to common goals. Actions should support transnational partnership working to share good practice and to develop common and innovative

approaches to common challenges.

12. Specific actions within this Priority Axis might include, but are not limited to:

- Actions to share good practice and develop common and innovative approaches to supporting young people, including those who are NEET, to access the labour market.

13. **The contribution of the ESF to Thematic Objectives 1-7**

14. ESF investments in human capital will be centred on and deliver to the future needs of enterprise and business, supporting the development of a modern, knowledge based economy. ESF investments made under TO 8, 9 and 10 are designed to complement and combine with investments made by ESI funds under TO 1-7. Where clear additionality to provision under EAFRD and EMFF is demonstrable, individuals from farming and fishing communities will be able to access ESF support. This approach will facilitate and enable the optimal realisation of the overall aims and objectives of the ESI Funds in Wales and support the integrated approach to implementation outlined in Section 4.
15. ESF interventions in this Priority Axis will engage young people in appropriate education and training to deliver the qualified future workforce required by employers. In this way actions will complement ERDF, EAFRD and EMFF interventions under TO3 to support SME's to stimulate business growth, diversification and expansion into new markets, develop local supply chains that link into economic growth opportunities, encourage start ups and improve the productivity of SMEs.
16. ESF interventions, by equipping our young people with the skills and ability to engage in entrepreneurial activity, will also support ERDF interventions under TO 3 to promote entrepreneurship. Those young entrepreneurs seeking self-employment will be able to access financial support and advice provided through ERDF, EAFRD and EMFF, avoiding duplication of activity.
17. Actions to support young people to access the labour market will work in conjunction with ERDF and EAFRD. Interventions under TO4 and 7 to increase urban and labour mobility to and from key urban and employment centres and to improve rural connectivity, thereby ensuring that ESF interventions to enable young people to access sustainable employment will complement sustainable transport solutions to improve physical accessibility to employment centres.
18. ESF interventions in youth attainment will support the development of a future workforce that is equipped with the specialised and higher level skills required to realise the potential of ERDF supported investments in ICT and innovative and emergent technologies under TO1, 2 and 4. Actions will also develop a future workforce that is equipped to realise the potential of EAFRD and EMFF actions under T 2, 3 and 4 to support rural and coastal businesses to adopt new technology and increase efficiencies and to develop local supply chains that link into economic growth opportunities.

## 2.A.8 Performance framework

**Table 6: Performance framework of the priority axis (by fund and, for the ERDF and ESF, category of region)**

Priority axis		3 - Youth Employment											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
P3F	F	Expenditure	€	ESF	More developed			30,596,600			132,000,000.00	Management Systems Information	NEET Participants (16-24 years of age) ensure appropriate representation of the Priority Axis, forming 75% of the Priority Axis in East Wales.
1027	O	NEET Participants (16 - 24 years of age)	Number	ESF	More developed			5,407			21,200.00	Management Systems Information	NEET Participants (16-24 years of age) ensure appropriate representation of the Priority Axis, forming 75% of the Priority Axis in East Wales.

### Additional qualitative information on the establishment of the performance framework

1. *Financial indicators*
2. The 2023 target is the total Eligible Expenditure allocation for the Priority Axis, whilst the 2018 target is based on N+3 Eligible Expenditure.
3. *Output indicators*
4. The overall approach used to set targets within the 2014-2020 WWV ESF programme and the EW ESF programme involved mapping activity from appropriate and comparable projects funded under the 2007-2013 WWV ESF Convergence Programme. These were selected to best reflect the targeted approach and proposed activity to be funded as outlined in the 2014-2020 ESF Programmes. Projects' achievements to date of mapped activity were compared with spend to date and projects' current final targets were compared with their total financial allocation. The resulting ratios were then scaled to indicative funding allocations under the future Specific Objectives of each the Investment Priorities to derive a set of targets for the indicators.
5. In some cases where the ambition of the 2014-2020 programmes was substantially different to the current 2007-13 delivery a policy based approach is utilised selecting comparable targets reflecting the emphasis of the programme within each priority and the aspirations and objectives for change.. In all cases evidence of Unit costs etc. within the current programme are utilised to ensure these policy based targets are achievable within the funding parameters available. In addition, the use of National Statistics, where available, based on the current population share for key demographic groups, is used in order to provide aspirational targets to ensure the fair distribution of funds. This approach is supplemented with additional evidence and experience from the current 2007-2013 programming period and the targeting outlined in the proposed ESF programmes. In some cases a combination of these methods has been used.
6. The 2023 targets are the final targets for this Output indicator under the Priority Axis, whilst the 2018 targets are based on the same ratio as the 2018 Financial indicator target, and unit costs.

## 2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

### Tables 7-11: Categories of intervention

**Table 7: Dimension 1 - Intervention field**

Priority axis		3 - Youth Employment	
Fund	Category of region	Code	€ amount
ESF	More developed	103. Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee	44,982,836.00
ESF	More developed	115. Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegrating into education and training	20,844,279.00

**Table 8: Dimension 2 - Form of finance**

Priority axis		3 - Youth Employment	
Fund	Category of region	Code	€ amount
ESF	More developed	01. Non-repayable grant	65,827,115.00

**Table 9: Dimension 3 - Territory type**

Priority axis		3 - Youth Employment	
Fund	Category of region	Code	€ amount
ESF	More developed	01. Large Urban areas (densely populated >50 000 population)	39,509,434.00
ESF	More developed	02. Small Urban areas (intermediate density >5 000 population)	20,873,778.00
ESF	More developed	03. Rural areas (thinly populated)	5,443,903.00

**Table 10: Dimension 4 - Territorial delivery mechanisms**

Priority axis		3 - Youth Employment	
Fund	Category of region	Code	€ amount
ESF	More developed	07. Not applicable	65,827,115.00

**Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)**

Priority axis		3 - Youth Employment	
Fund	Category of region	Code	€ amount
ESF	More developed	08. Not applicable	65,827,115.00

**2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)**

Priority axis:	3 - Youth Employment
1. The planned use of Technical Assistance will be addressed in the specific Technical Assistance Priority Axis.	

### 2.A.1 Priority axis

ID of the priority axis	5
Title of the priority axis	Public services reform and regional working

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development
- For the ESF: The entire priority axis is dedicated to social innovation or to transnational cooperation, or both
- For the ERDF: The entire priority axis is dedicated to operations aimed at reconstruction in response to major or regional natural disasters
- For the ERDF: The entire priority axis is dedicated to SME (Article 39)

### 2.A.2 Justification for the establishment of a priority axis covering more than one category of region, thematic objective or fund (where applicable)

This priority axis covers one category of region, but will be closely coordinated with an identical priority under the other Wales ESF programme (different category of region). It only covers one thematic objective and a single fund.

There is an increasing evidence base pointing to the importance of institutional capacity as a factor affecting the relative success of regional investments (OECD). Having the right capacity in place can therefore magnify the effect and impact of regional investments; with ineffective arrangements having a negative effect. As such, a lack of capacity in Welsh regions risks undermining investments made across the entire suite of European Structural and Investment (ESI) programmes in Wales and beyond. Effectively operating regional arrangements can better integrate investments in places and improve the effectiveness and impact of those investments both collectively and individually.

The 2007-2013 ESF programmes kick-started a process of regionalisation in Wales, supporting the creation of regional skills partnerships and building capacity for improved collaborative working. Since the 2014-2020 programmes were negotiated in 2014 the Welsh Government has further developed a coherent policy framework that commits to regionalisation in those areas where it provides added value; providing a sound basis on which to create the state changes needed for the next phase. This includes:



- **Prosperity for All (September 2017).** This indicates *“It is only through closer working, on a consistent regional basis, that the resilience and responsiveness of services can be maintained in the future”*. Commitments are made to respond to the diverse needs of different regions, working with partners in those regions in areas such as skills and economic development.
- **Economic Action Plan (December 2017).** This describes the need to ensure *“the different players in our economy - from the emerging City Deals and local government reform structures, to the new Development Bank of Wales and Regional Skills Partnerships – work together on a clear footprint with businesses and other partners in a new, strategic and more collaborative partnership to support distinctive regional strengths”*
- **Employability Plan (March 2018).** This identified a range of relevant actions, such as the need to *“prioritise the co-location of local services to simplify employability support for the individual”*, *“to provide a holistic view of local and regional employability support”* and to *“strengthen the governance and expertise of the Regional Skills Partnerships to ensure that they provide regional leadership and robust labour market intelligence”*. Working in tandem with the Economic Action Plan this will *“encourage local and regional growth and innovation in relation to skills”*.

Plans for regionalisation across Wales have been developed over time, initially stimulated by investments made by ESF during 2007-2013. Further, proposals for local government reform reflect the reality facing public service delivery with falling budgets, increased demands on services, and an ageing population. Dedicated additional investment could lever quicker, wider and more systematic reform and could demonstrate significant added value in driving structural reform in public service delivery and collaboration.

[1] <http://gov.wales/docs/det/publications/171213-economic-action-plan-en.pdf>

### 2.A.3 Fund, category of region and calculation basis for Union support

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)	Category of region for outermost regions and northern sparsely populated regions (where applicable)
ESF	More developed	Total	

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	11i
<b>Title of the investment priority</b>	Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance

### 2.A.5 Specific objectives corresponding to the investment priority and expected results

<b>ID of the specific objective</b>	5
<b>Title of the specific objective</b>	Public services reform and regional working
<b>Results that the Member States seek to achieve with Union support</b>	<p>The result indicator selected takes into account Commission guidance (<i>Guidance Document on Indicators of Public Administration Capacity Building</i>, 2014) which makes clear indicators need to be related to the capacity/state change of the public body (e.g. new integrated structures or delivery models), not the performance change (i.e. effects on services), which is an impact measure.</p> <p>The indicator is directly linked to the European Commission core indicator, which offers a broad result indicator that can capture the result of a range of activity. Supported units in this case will primarily be entities involved in public service delivery (primarily national, regional, local government, and third sector bodies), but beneficiaries (delivering projects) may provide expertise to those supported units (e.g. HE/FE, research institutions).</p>

	<p>A central outcome of investment will be the development and dissemination of improved working methods, procedures, and tools. This will be captured by a single result indicator for the development of new methods, procedures and tools; with them considered developed once disseminated.</p>
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**Table 4: Common result indicators for which a target value has been set and programme-specific result indicators corresponding to the specific objective (by investment priority and category of region) (for the ESF)**

Investment priority : 11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance														
ID	Indicator	Category of region	Measurement unit for indicator	Common output indicator used as basis for target setting	Baseline value			Measurement unit for baseline and target	Baseline year	Target value (2023)			Source of data	Frequency of reporting
					M	W	T			M	W	T		
1184	Number of new methods, procedures, and tools developed and disseminated	More developed	Number				0.00	Number	2018			8.00	Monitoring data	Quarterly

**2.A.6 Action to be supported under the investment priority (by investment priority)**

**2.A.6.1 Description of the type and examples of actions to be supported and their expected contribution to the specific objectives including, where appropriate, the identification of main target groups, specific territories targeted and types of beneficiaries**

<b>Investment priority</b>	11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance
<p>In delivering the results sought there will be a series of complementary investment needed in people, organisations and systems. All investments are expected to align directly to the regionalisation agenda of the Welsh Government, as described in Prosperity for All[1], the Economic Action Plan[2], and the Employability Plan[3]. These, alongside emerging proposals for local government reform, provide the policy framework for activity under this Priority.</p> <p>Our approach will need to be flexible and responsive. It will change over time, as the tasks being undertaken change. There will be some core, common elements and some bespoke provision, recognising that capacity and specific capability will vary between regions and entities.</p> <p>While the emphasis is likely to be on the role of local government and the specific opportunities for integration and transformation stemming from those organisations coming together, the Specific Objective will also need to ensure other stakeholders, in particular the third sector and other delivery bodies</p>	

<b>Investment priority</b>	11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance
<p>are a central part of proposals, dependent on the service / activity being examined.</p> <p>Governance is particularly important to the public sector because of the accountability held by stakeholders. Good governance can increase trust, citizen engagement and social capital. Any reform of governance structures should not lead to overcomplicated structures: given the small size of Wales this could negatively affect service delivery</p> <p>The approach to this Priority seeks to learn lessons from previous experience and from others' experiences, by taking a more incremental approach that focusses on the state changes, rather than the long-term impact desired (which is dependent on factors outside of the control of an ESF investment programme). In particular we will seek to build on the solid progress made to date on improving regionalisation and cooperation between public service providers, such as the development of regional skills partnerships and improving integrated planning and delivery of economic development and skills activities in places. The nature of emerging Local Government reform proposals will bring challenges to the implementation of this priority, requiring a staged and flexible approach to implementation, but all options being considered will strengthen collaboration and regional working by simplifying arrangements and promoting collaboration. Added value, particularly in terms of making long-needed reforms take place, is clear.</p> <p>Regional working and planning is expected to focus on cohering a fragmented policy and planning landscape across the Welsh regions, in particular for economic development, skills, strategic land use, and transport planning. Various initiatives operate on regional footprints, with related capacity issues created, potential inefficiencies, and risks to strategic and integrated planning approaches. For example there are different arrangements for City Deals, Growth Deals, prioritising ESI funding, skills, planning regional regeneration investments, and a range of other spatial initiatives that could be more</p>	

<b>Investment priority</b>	11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance
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effectively coordinated and integrated if long-standing structural weaknesses can be addressed.

Social innovation and innovation in service delivery is also expected to feature prominently in this priority. ESF offers an opportunity to develop, pilot, evaluate and disseminate new ways of working across public services, for example in applying new technology such as the use of big data.

Indicative actions which could be undertaken in support of this Specific Objective may include (but are not limited to):

- Assessments of capacity and capability for collaborative working, including development / application of toolkits and the transfer of new / improved methods and procedures. This could include transnational activity and international benchmarking.
- Building capacity and capability within existing partnerships, moving them to a more sustainable footing. For example addressing specific gaps in provision, investing in skills, governance, integrating different policy areas, or using new tools, methods and procedures.

<b>Investment priority</b>	11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance
<ul style="list-style-type: none"><li>• Targeted investments for specific regional or collaborative partnerships where a capacity and capability assessment has been completed and a clear plan to sustainably address constraints and weaknesses is in place.</li> <li>• Innovative activities that promote social innovation, the use of new technology / techniques, delivery of new services, and integration of services. Support might be expected to cover idea development, piloting, evaluation and dissemination of results.</li> <li>• Development and implementation of new approaches to integrated service delivery, linked to local government reform, including skills and shared services (e.g. via digital solutions, online provision, aggregated administration, one-stop-shops, joint / shared services, pooled specialist services, etc.)</li> <li>• Training to provide staff with skills, models and tools to deliver organisational change and service improvement, particularly leadership.</li></ul>	

<b>Investment priority</b>	11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance
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All operations will be expected to identify precise and specific activities within the above areas of action. These activities should be designed to meet the specific needs of the operation's identified target group/s and the results sought. Evidence should be presented to prove the efficacy and applicability of these specific activities.

Beneficiaries of funding under each of the Specific Objectives above are expected to include the public sector (local authorities, the Welsh Government); NGO's (non governmental organisations including the Third Sector); Research Organisations and higher/further education bodies; and the private sector. The end beneficiary is expected to be involved in public service design and delivery and regional planning.

Operations will not support ongoing running costs and are not intended to simply address funding gaps in normal service delivery. Operations must demonstrate that investment will lead to a state change for the related partnership or service and be sustainable in the long-term once the operation is complete.

[1] <http://gov.wales/docs/strategies/170919-prosperity-for-all-en.pdf>

[2] <http://gov.wales/docs/det/publications/171213-economic-action-plan-en.pdf>



<b>Investment priority</b>	11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance
[3] <a href="http://gov.wales/docs/dcells/publications/180319-employability-plan-en.pdf">http://gov.wales/docs/dcells/publications/180319-employability-plan-en.pdf</a>	

### ***2.A.6.2 Guiding principles for selection of operations***

<b>Investment priority</b>	11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance
<p>↵</p> <p>The following common principles will guide future selection of operations across all Investment Priorities:</p> <ul style="list-style-type: none"> <li>• An focus on supporting sustainable jobs, productivity, employment and growth and operations which facilitate the role of the third sector and private sector in the delivery of public services;</li>   <li>• Interventions should seek to integrate economic, social and environmental outcomes, consistent with the central organising principle of sustainable development and contributing to the outcomes of the cross cutting themes;</li>   <li>• Opportunities to achieve greater leverage from the deployment of EU funds, particularly with the private and third sector; and also more</li> </ul>	

<b>Investment priority</b>	11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance
<p>collaborative investments where these can add value and achieve outcomes;</p> <ul style="list-style-type: none"> <li>• Clear added value, when compared with other ways of supporting and delivering policy, based on sound evidence;</li>   <li>• Evidence of opportunity will form the foundation of the design and delivery of operations with investments building on existing and emerging expertise, with human capital delivering to future needs;</li>   <li>• Prioritisation of key strategic operations that underpin the Specific Objectives and which deliver significant outcomes, will be a core part of a portfolio management approach to programme delivery; and</li>   <li>• Clear exit strategies need to be in place at the outset which fully consider the role of the third sector and private sector, build social resilience and tackle poverty within communities, promote equality, and achieve legacy effects.</li> </ul>	

<b>Investment priority</b>	11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance
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Operations will need to consider a range of targeting mechanisms to provide a focus for investment. The degree of targeting will vary according to the intervention and, where appropriate, should reflect:

- Clear identification of the specific target groups, their needs and how actions will address these needs at a national, regional or local level as appropriate;
- Growth sectors (e.g. specifically the Welsh Government identified National Thematic and Foundation sectors, Grand Challenge areas in Science for Wales and the areas of specialisation in Innovation Wales); and
- Areas of specific geographical opportunity (e.g. City region or other regional opportunity, regional skills needs, Rural or Regeneration Area).

**Additional principles relevant to the specific Investment Priority**

<b>Investment priority</b>	11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance
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- All interventions will be expected to demonstrate alignment with the Wellbeing of Future Generations Act and the related five ways of working.
  
- Interventions will need to be aligned with the policy framework for regionalisation, including Prosperity for All, the Economic Action Plan, the Employability Plan and emerging proposals for local government reform
  
- Wherever possible options for accredited training should be considered, whilst recognising this will not always be possible
  
- With the exception of innovative actions, interventions are expected to target reform that builds sustainable capacity in the long-term, with a focus on integration and transformation of public service delivery (e.g. structural, systemic, horizontal change)

While the beneficiary (i.e. delivering operations) may be broader (e.g. also including Higher Education/Further Education), the target groups of this

<b>Investment priority</b>	11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance
<p>priority will be:</p> <ul style="list-style-type: none"> <li>• Public administration on national, regional and local level</li>   <li>• Stakeholders, such as social partners, NGOs/CSOs,</li>   <li>• Individuals working within and with the entities noted above</li> </ul>	

**2.A.6.3 Planned use of financial instruments** (where appropriate)

<b>Investment priority</b>	11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance
<p>It is not proposed to utilise Financial Instruments in the delivery of the proposed actions.</p>	

#### 2.A.6.4 Planned use of major projects (where appropriate)

<b>Investment priority</b>	11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance
This is not applicable for ESF.	

#### 2.A.6.5 Output indicators by investment priority and, where appropriate by category of region

**Table 5: Common and programme-specific output indicators** (by investment priority, broken down by category of region for the ESF, and where relevant, for the ERDF)

Investment priority		11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance							
ID	Indicator	Measurement unit	Fund	Category of region (where relevant)	Target value (2023)			Source of data	Frequency of reporting
					M	W	T		
CO22	number of projects targeting public administrations or public services at national, regional or local level	Number	ESF	More developed			4.00	Monitoring data	Quarterly
1182	Number of methods, processes and tools being developed with support	Number	ESF	More developed			10.00	Monitoring data	Quarterly
1183	Number of entities* participating in projects target public administrations or public services at national, regional or local level	Number	ESF	More developed			15.00	Monitoring data	Quarterly

#### 2.A.7 Social innovation, transnational cooperation and contribution to thematic objectives 1-7

<b>Priority axis</b>	<b>5 - Public services reform and regional working</b>
<b>Promotion of Social Innovation (SI) within the Priority Axis</b>	
<p>All operations will be encouraged to consider the opportunities SI provides to pilot or develop innovative approaches to delivery. Operations will be encouraged to consider options to undertake small scale SI activities to explore alternative delivery models or target specific groups with a view to incorporating and scaling up successful delivery. Such small scale trialling, particularly through commissioning or procurement, will engage the third sector, community groups and social partners in a risk based approach to developing new delivery models which can add to and complement successful</p>	

delivery models already in place.

Potential areas for SI actions across the programme might include:

- targeting of specific under-represented groups with a view to up-scaling into core activity and the delivery of enhanced equality outcomes;
- trialling, on a risk basis, new models of delivery, especially within well established delivery methodology or approaches; and
- support to trial and develop sustainable exit strategies through testing of new delivery models.

Opportunities for SI may develop as operations progress. It will not be necessary for SI activity to be fully scoped however the principle and mechanics of trialling and subsequent mainstreaming of lessons learnt will need to be outlined where SI action is anticipated. Larger strategic Interventions should have an evidence base indicating where trialling or piloting of approaches would work most effectively.

SI actions will be subject to specific monitoring and more rigorous evaluation with lessons learnt being disseminated both within operations and across WEFO. SI actions can take place as discreet elements of larger strategic operations or as discreet stand alone operations.

Specific actions within this Priority Axis might include, but are not limited to:

- Innovative approaches to public service transformation with a view to improving efficiency, improving public services, making them more sustainable, and enhancing social integration and access to services; and
- Innovative actions to support the development of entirely new systems, processes and services, such as new uses for data for planning and service

delivery; and

Through this approach it will may also be possible to incorporate linkages with LEADER groups within EAFRD (or Fisheries Local Action Groups (FLAG's) within EMFF). LEADER groups or FLAG's, will be able to engage in commission processes for SI actions particularly for trialling new approaches with a view to mainstreaming successful delivery models. These groups will also be able to work through the regional and spatial approaches described in the Welsh Chapter of the UK Partnership Agreement and in Section 4 of this OP to encourage mainstreaming of activity funded through other ESI funds into collaborative ESF proposals.

### **Specific Provision for Transnational Cooperation**

Transnational cooperation actions will be targeted towards addressing specific needs within WWV while maximising the added value that can be delivered by transnational cooperation. Actions could involve stakeholders from the public, higher and further education, third and private sectors. Operations may be wholly comprised of transnational cooperation activity or feature transnational cooperation as one strand within the wider operation.

Actions will be expected to support transnational cooperation with other Member States which are facing similar challenges to WWV and working to common goals. Actions should support transnational partnership working to share good practice and to develop and pilot innovative solutions, to develop and share high level skills and expertise and to develop and share skills and expertise that will support a modern knowledge-based economy and modern, adaptable and agile public services.

Specific actions within this Priority Axis might include, but are not limited to:

- Actions to share good practice and develop innovative approaches to public services transformation, local government reform and regional planning;



- Transferring and translating international experience to the Welsh context.

### **The contribution of the ESF to Thematic Objectives 1-7**

ESF investments under this Priority Axis are fundamental to supporting citizens across the whole economy, and in turn businesses by providing the best possible planning and investment context. This priority will ensure suitable capacity and capability is available to deliver to the future needs of enterprise and business, supporting the development of a modern, knowledge based economy. ESF investments are designed to complement and combine with investments made by ESI funds under TOs 1-7. This approach will facilitate and enable the optimal realisation of the overall aims and objectives of the ESI Funds in Wales and support the integrated approach to implementation outlined in Section 4.

ESF interventions in this Priority Axis will complement ERDF, EAFRD and EMFF interventions under TO3 to stimulate business growth, develop local supply chains that link into economic growth opportunities, encourage start ups and improve the productivity of SMEs through:

- Improving public service provision, increasing the attractiveness of places and the supply of work-ready individuals, supporting SME's to grow and increase productivity, including through diversification and expansion into new markets;
- Improving regional coordination and planning to support a more sustainable, predictable and reliable planning context to encourage long-term investments;
- Increasing productivity by supporting individuals and enterprise to address underemployment resulting from in-work barriers such as work limiting health conditions and reducing the number of hours lost to sickness.

The integrated approach to tackling poverty across ESI fund programmes will see ESF interventions within this Priority Axis integrate with ERDF and EAFRD actions under TO4 and 7 to increase urban and labour mobility to and from key urban and employment centres and to improve rural connectivity. Thereby ensuring that ESF interventions to address barriers to accessing sustainable employment will complement sustainable transport

Priority axis	5 - Public services reform and regional working
solutions to improve physical accessibility to employment centres. There will also be complementarity with ERDF investments to reduce the number and percentage of households living in fuel poverty under TO4, both mitigating the impacts of poverty and equipping people to move out of poverty through employment.	

## 2.A.8 Performance framework

**Table 6: Performance framework of the priority axis** (by fund and, for the ERDF and ESF, category of region)

Priority axis		5 - Public services reform and regional working											
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Fund	Category of region	Milestone for 2018			Final target (2023)			Source of data	Explanation of relevance of indicator, where appropriate
						M	W	T	M	W	T		
CO22	O	number of projects targeting public administrations or public services at national, regional or local level	Number	ESF	More developed			1			4.00	Monitoring data	
PIF	F	Expenditure	€	ESF	More developed			0			26.00	Monitoring data	

## Additional qualitative information on the establishment of the performance framework

### 2.A.9 Categories of intervention

Categories of intervention corresponding to the content of the priority axis based on a nomenclature adopted by the Commission, and indicative breakdown of Union support.

### Tables 7-11: Categories of intervention

**Table 7: Dimension 1 - Intervention field**

Priority axis		5 - Public services reform and regional working										
Fund	Category of region	Code										€ amount
ESF	More developed	119. Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance										15,210,000.00

**Table 8: Dimension 2 - Form of finance**

Priority axis	5 - Public services reform and regional working
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Fund	Category of region	Code	€ amount
ESF	More developed	01. Non-repayable grant	15,210,000.00

**Table 9: Dimension 3 - Territory type**

Priority axis		5 - Public services reform and regional working	
Fund	Category of region	Code	€ amount
ESF	More developed	07. Not applicable	15,210,000.00

**Table 10: Dimension 4 - Territorial delivery mechanisms**

Priority axis		5 - Public services reform and regional working	
Fund	Category of region	Code	€ amount
ESF	More developed	07. Not applicable	15,210,000.00

**Table 11: Dimension 6 - ESF secondary theme (ESF and YEI only)**

Priority axis		5 - Public services reform and regional working	
Fund	Category of region	Code	€ amount
ESF	More developed	08. Not applicable	15,210,000.00

**2.A.10 Summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries (where appropriate) (by priority axis)**

Priority axis:	5 - Public services reform and regional working

## 2.B DESCRIPTION OF THE PRIORITY AXES FOR TECHNICAL ASSISTANCE

### 2.B.1 Priority axis

ID of the priority axis	4
Title of the priority axis	Technical Assistance

### 2.B.2 Justification for establishing a priority axis covering more than one category of region (where applicable)

1. Technical Assistance (TA) funded actions, as with the 2007-2013 programmes, will be developed as part of mono fund priorities but will be delivered by the Managing Authority (MA) and relevant stakeholders as part of collaborative and integrated approaches across the ERDF and ESF programmes for the West Wales and the Valleys and East Wales programme areas. The approach outlined in the priority axis below will be mirrored across these programme areas and reflected in the result and output indicators selected.
2. The approach builds on the successful implementation of TA activity in the 2007-2013 programmes which utilised TA to enhance implementation arrangements, providing additional capacity for programme support and development, research and monitoring activity and programme promotion. TA was also utilised in the direct support of salary costs by the MA and relevant stakeholders.
3. Supporting direct salary costs within the 2014-2020 programmes of the MA, Certifying Authority (CA), Audit Authority (AA) and partners is considered an important element of the delivery of the programmes. It is proposed for the 2014-2020 programmes to utilise TA to continue to support those posts identified within the 2007-2013 programme as increasing the capacity of the administrative functions of the relevant authorities and partners. In line with this approach, any new additional posts required for the 2014-2020 programmes to further develop the audit and administrative function of the MA, CA and AA, will also be supported by TA. The resources of the Welsh Government and its partners will be used alongside the TA resource.
4. A number of programme level evaluation and external reviews have been undertaken during the 2007-2013 programmes[1] which have covered a number of areas supported through TA funded activity including:
  - The enhanced programme management and monitoring arrangements, to include the Project Development Officer (PDO) function;
  - specialist and technical guidance and support, including the Specialist European Teams (SET) and Cross Cutting teams;
  - research and evaluation;
  - information and publicity, including operating a customer helpline; and
  - strengthened audit arrangements and irregularities' management
5. The findings of the evaluations showed that there is widespread support for the PDO role and support services for beneficiaries, delivered through the MA and SET bringing genuine programme benefits and ensuring that the appraisal and management processes are well understood and

effectively implemented. The successful management of the 2007-2013 Welsh programmes has also been recognised through a number of awards to Wales including the ‘Region of Excellence’ Awards and four project based RegioStars awards.

6. It is important that TA funds are used during the 2014-2020 programmes to maintain this strong position and deliver further improvements.

[1] The Guilford Review of Implementation Arrangements (2012); WEFO Customer Insight Survey 2009: The Effectiveness of Implementation in the 2007-2013 Structural Funds Programming Period Final Report. (January 2011); Thematic Evaluations of 2007-2013 EU Structural Funds Programmes; and Spatial European Teams Evaluation (November 2010).

### 2.B.3 Fund and category of region

Fund	Category of region	Calculation basis (total eligible expenditure or eligible public expenditure)
ESF	More developed	Total

### 2.B.4 Specific objectives and expected results

ID	Specific objective	Results that the Member States seek to achieve with Union support
4.1	To ensure the efficient and effective management of the 2014-2020 programmes	<ol style="list-style-type: none"> <li>1. Specific Objective 1 aims to ensure that the programmes are delivered efficiently and effectively in Wales. The key measure underpinning this objective and forming part of the compliance report for the programme is the irregularity rate. This measure displays the total value of irregularities for the programme reported to OLAF as a percentage of total certified eligible expenditure claimed by projects.</li> <li>2. In 2013 the irregularity rate for the programme area was 0.17%, well below the 2% threshold used by the EC to implement corrective action.</li> <li>3. In addition, the WEFO error rate, published by the Audit Authority in the Annual Control Report will also be used as a measure to support and measure the achievement of the Specific Objective. The December 2012 WEFO error rate for the programme areas was 0.00%.</li> </ol>

## 2.B.5 Result indicators

**Table 12: Programme-specific result indicators (by specific objective) (for ERDF/ESF/Cohesion Fund)**

Priority axis		4.1 - To ensure the efficient and effective management of the 2014-2020 programmes									
ID	Indicator	Measurement unit	Baseline value			Baseline year	Target value (2023)			Source of data	Frequency of reporting
			M	W	T		M	W	T		
TAR1	Managing Authority Irregularity Rate	Ratio			0.17	2013			Below 2	WEFO Compliance Report	Annual
TAR2	WEFO Error Rate	Ratio			0.0	2012			Below 2	Audit Authority Annual Control Report	Annual

## 2.B.4 Specific objectives and expected results

ID	Specific objective	Results that the Member States seek to achieve with Union support
4.2	To provide high quality advice to key partners involved in the design and delivery of operations.	<p>1. Specific Objective 2 aims to improve customer satisfaction levels through providing high quality advice to key partners involved in the design and delivery of operations. Measured across TA funded activity for all Structural funds in Wales this reflects the satisfaction of beneficiaries with the service received from WEFO for all approved operations.</p> <p>2. The baseline overall customer satisfaction rating, dating from 2009, is 45%. [1]</p> <p>[1] WEFO Customer Insight Survey 2009 - This is the percentage of interactions, where the operation was approved, with which the beneficiary was satisfied or very satisfied with the service received</p>

## 2.B.5 Result indicators

**Table 12: Programme-specific result indicators (by specific objective) (for ERDF/ESF/Cohesion Fund)**

Priority axis		4.2 - To provide high quality advice to key partners involved in the design and delivery of operations.									
ID	Indicator	Measurement unit	Baseline value			Baseline year	Target value (2023)			Source of data	Frequency of reporting
			M	W	T		M	W	T		
TAR3	Customer Satisfaction	Ratio			45	2009			50	Customer Insight Survey	One-off

## 2.B.4 Specific objectives and expected results

ID	Specific objective	Results that the Member States seek to achieve with Union support
4.3	To enhance the integration and the complementarity of investments with other ESI funds and wider Commission led and Sector based programmes.	1. Specific Objective 3 aims to ensure that the programmes complement and are integrated with all ESI funds in Wales and wider Commission, Welsh Government and Sector Led programmes. Measurement of this activity will primarily be in the form of the outputs such as the number of collaborative projects delivered.

## 2.B.5 Result indicators

**Table 12: Programme-specific result indicators (by specific objective) (for ERDF/ESF/Cohesion Fund)**

Priority axis		4.3 - To enhance the integration and the complementarity of investments with other ESI funds and wider Commission led and Sector based programmes.									
ID	Indicator	Measurement unit	Baseline value			Baseline year	Target value (2023)			Source of data	Frequency of reporting
			M	W	T		M	W	T		

## 2.B.6 Actions to be supported and their expected contribution to the specific objectives (by priority axis)

### 2.B.6.1 A description of actions to be supported and their expected contribution to the specific objectives

Priority axis		4 - Technical Assistance							
1. TA is an essential resource for supporting the effective delivery of the Programme. The delivery of the 2014-2020 programmes requires a continued emphasis on strategic delivery with greater alignment and harmonisation of ESI Fund investments through the concentration of resources to achieve sustainable outcomes for jobs and growth.									

2. In Wales there are a number of key areas which will be developed and undertaken by partner organisations and the MA itself in order to deliver to the objectives and to ensure the new programmes achieve the integration, concentration and focus required. Actions are not mutually exclusive to any of the objectives and have therefore been grouped around 6 key investment areas which collectively will ensure the objectives and associated results are achieved.
3. Salary costs, as with the 2007-13 programmes, will form an important part in the delivery of TA funded activity for the MA, the Audit Authority, CA and wider delivery partners. These Salary costs will be incurred within all activities set out below, enhancing the capacity to achieve the overall objectives of the TA priority.
4. The MA and its partners have substantial experience in the implementation of TA in this way. All posts funded via TA will be subject to the Human Resources and remuneration policies of the employing organisation.
5. **Management**
6. Integration of funds will bring new administrative challenges for the MA, for example in the implementation of an enhanced role for Financial Instruments and the integration of specialist functions such as Cross Cutting Themes[1] (CCTs). Actions will enhance and strengthen strategic and integrated programme support and development.
7. Actions will include:
  - To continue to enhance the internal programme management function in the development and delivery of integrated and sustainable programmes;
  - To continue to develop the specialist knowledge within the MA and stakeholders through regular training and networking activities;
  - To advise and support the development of projects, encouraging innovation, transnational cooperation, sharing of good practice and mainstreaming;
  - Actions, in line with those outlined in Section 10, seeking to reduce the administrative burden on beneficiaries;
  - To provide high quality technical advice and expert functions, in areas relating to, for example; procurement, financial (to include Financial Instruments) and scientific expertise, project development, complaint resolution, innovation and compliance;
  - To develop and enhance bespoke and integrated IT systems for the delivery of ESI Funds and to aid e-Cohesion; and,
  - To provide specialist advice and support to projects on the integration, implementation and monitoring of the CCTs.
8. **Partnership and Networking**
9. Strong partnerships and networks lie at the heart of the successful implementation of the programmes and the integration of the ESI funds at all levels. The MA will continue to engage partners, including social partners, and key stakeholders in programme implementation and delivery.
10. Actions will include:
  - Encouraging and facilitating collaborative projects and approaches;
  - Alignment with European Commission led, ESI fund and Sector based programmes;



- Enhancing capacity for cross programme coordination and the integration of ESI funds with national expenditure and programmes; and
- Strengthening coordination and liaison mechanisms with partnerships and promoting partnership working.

**11. Monitoring**

12. A single Programme Monitoring Committee (PMC) will be established to oversee the effectiveness, quality and integration of the ESI Fund programmes[2]. TA will be used, where eligibility allows, to ensure the efficient and effective management of the programme through supporting the duties of the PMC.
13. The MA will establish a Secretariat team to manage PMC arrangements for all ESI Fund programmes. The Secretariat will approve, manage and monitor all TA expenditure declared in respect of PMC meetings and functions, ensuring that expenditure is not declared more than once against different ESI Funds. PMC costs will be apportioned across the five programmes, based on the relative size (value of EU contribution) of each programme.
14. Actions will include:
- Enhanced management support to the PMC and improved reporting to the European Commission; and
  - Expenditure on PMC including expenses and fees for appointed experts (experts appointed to the PMC based on merit will be remunerated in line with the Welsh Governments normal practice).

**15. Research and Evaluation**

16. Research and Evaluation continues to play a central role in helping the MA to manage programmes effectively. The specialist Research, Monitoring and Evaluation (RME) team within the Managing Authority will continue to design, carry out and manage programme level evaluations and provide or source expert advice and guidance to project level evaluations.
17. Actions will include:
- Programme level research and evaluation, including research into the CCTs;
  - Provision of evaluation advice and guidance to sponsor organisations;
  - Research and evaluation dissemination and workshops events; and
  - Management of research and evaluation exercises, for example through the Evaluation Advisory Group.

**18. Information and Publicity**

19. The successful integration of ESI funded programmes will depend to a large degree on a wide understanding among the sponsors, partners and stakeholders of its contents, governing regulations, aims and objectives. It is also essential that the benefits and achievements of the programmes are widely publicised to highlight the value added by the EU working in partnership with the Welsh Government and its partners.
20. Actions will include:
- Dissemination of information, publicity and communication including guidance for partners and sponsors, seminars and workshops and networking events;

Priority axis	4 - Technical Assistance
	<ul style="list-style-type: none"> <li>○ Disseminating and promoting of the impacts of enhanced integration with ESI funds and wider sector programmes e.g. Horizon 2020;</li> <li>○ WEFO website development and maintenance;</li> <li>○ Diversity and accessibility initiatives; and</li> <li>○ The operation of a Helpline.</li> </ul> <p>21. <b>Audit and Control</b></p> <p>22. WEFO and the Audit Authority has developed significant strengths in audit and control within the 2007-2013 programmes. Further enhancing the audit and control functions alongside a dedicated compliance unit will ensure that WEFO continue to build on developed strengths and maximise the opportunity structural funds investments can bring.</p> <p>23. Actions will include:</p> <ul style="list-style-type: none"> <li>○ Enhanced audit arrangements to ensure that these work effectively, improving quality and timelines;</li> <li>○ Improving irregularity monitoring and reporting;</li> <li>○ Enhanced support to combat fraud and corruption; and</li> <li>○ Provision of consistent advice and guidance to sponsors and partners through the WEFO Compliance Unit.</li> </ul> <p>[1] WEFO Customer Insight Survey 2009 and <u>The Effectiveness of Implementation in the 2007-2013 Structural Funds Programming Period</u></p> <p>[2] ERDF and ESF (Less Developed and More Developed Regions) and EAFRD</p>

### 2.B.6.2 Output indicators expected to contribute to results

**Table 13: Output indicators** (by priority axis) (for ERDF/ESF/Cohesion Fund)

Priority axis		4 - Technical Assistance				
ID	Indicator (name of indicator)	Measurement unit	Target value (2023) (optional)			Source of data
			M	W	T	

TAO1	Number of training events held	Number			10.00	Monitoring data
TAO10	Number of e-newsletters issued	Number			72.00	Monitoring data
TAO11	Percentage of enquiries resolved within 5 working days	Ratio			75.00	Monitoring data
TAO12	Number of audit visits	Ratio			50.00	Monitoring data
TAO2	Framework Contract for Specialist Expertise in place for project delivery	Number			1.00	Monitoring data
TAO3	Number of projects undergoing a formal assessment for their cross cutting themes integration	Ratio			90.00	Monitoring data
TAO4	Number of research reports published	Number			17.00	Monitoring data
TAO5	Number of projects given Monitoring and Evaluation advice	Ratio			100.00	Monitoring data
TAO6	Number of dissemination events	Number			6.00	Monitoring data
TAO7	Number of events organised by WEFO	Number			10.00	Monitoring data
TAO8	Number of press releases issued	Number			50.00	Monitoring data
TAO9	Number of high profile project launches	Ratio			50.00	Monitoring data

## 2.B.7 Categories of intervention (by priority axis)

Corresponding categories of intervention based on a nomenclature adopted by the Commission, and an indicative breakdown of the Union support

### Tables 14-16: Categories of intervention

**Table 14: Dimension 1 - Intervention field**

Priority axis		4 - Technical Assistance	
Fund	Category of region	Code	€ Amount
ESF	More developed	121. Preparation, implementation, monitoring and inspection	1,423,185.00
ESF	More developed	122. Evaluation and studies	1,423,186.00
ESF	More developed	123. Information and communication	1,219,874.00

**Table 15: Dimension 2 - Form of finance**

Priority axis		4 - Technical Assistance	
Fund	Category of region	Code	€ Amount
ESF	More developed	01. Non-repayable grant	4,066,245.00

**Table 16: Dimension 3 – Territory type**

Priority axis		4 - Technical Assistance		
Fund	Category of region	Code	€ Amount	
ESF	More developed	07. Not applicable	4,066,245.00	

### 3. FINANCING PLAN

#### 3.1 Financial appropriation from each fund and amounts for performance reserve

**Table 17**

Fund	Category of region	2014		2015		2016		2017		2018		2019		2020		Total	
		Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve	Main allocation	Performance reserve
ESF	More developed	25,705,825.00	1,640,798.00	26,220,462.00	1,673,646.00	26,745,327.00	1,707,148.00	27,280,587.00	1,741,314.00	27,826,544.00	1,776,162.00	28,383,408.00	1,811,707.00	28,951,366.00	1,847,960.00	191,113,519.00	12,198,735.00
<b>Total</b>		<b>25,705,825.00</b>	<b>1,640,798.00</b>	<b>26,220,462.00</b>	<b>1,673,646.00</b>	<b>26,745,327.00</b>	<b>1,707,148.00</b>	<b>27,280,587.00</b>	<b>1,741,314.00</b>	<b>27,826,544.00</b>	<b>1,776,162.00</b>	<b>28,383,408.00</b>	<b>1,811,707.00</b>	<b>28,951,366.00</b>	<b>1,847,960.00</b>	<b>191,113,519.00</b>	<b>12,198,735.00</b>

#### 3.2 Total financial appropriation by fund and national co-financing (€)

**Table 18a: Financing plan**

Priority axis	Fund	Category of region	Basis for calculation of Union support (Total eligible cost or public eligible cost)	Union support (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of national counterpart		Total funding (e) = (a) + (b)	Co-financing rate (f) = (a) / (e) (2)	EIB contributions (g)	Main allocation		Performance reserve		Performance reserve amount as proportion of total Union support (l) = (j) / (a) * 100
						National public funding (c)	National private funding (d) (1)				Union support (h) = (a) - (j)	National Counterpart (i) = (b) - (k)	Union support (j)	National Counterpart (k) = (b) * ((j) / (a))	
1	ESF	More developed	Total	32,084,989.00	32,084,989.00	25,026,078.00	7,058,911.00	64,169,978.00	50.0000000000%	0.00	30,120,601.00	30,120,601.00	1,964,388.00	1,964,388.00	6.12%
2	ESF	More developed	Total	86,123,905.00	91,723,464.00	53,354,018.00	38,369,446.00	177,847,369.00	48.4257402762%	0.00	80,851,013.00	86,107,742.00	5,272,892.00	5,615,722.00	6.12%
3	ESF	More developed	Total	65,827,115.00	65,827,115.00	49,370,613.00	16,456,502.00	131,654,230.00	50.0000000000%	0.00	61,796,884.00	61,796,884.00	4,030,231.00	4,030,231.00	6.12%
5	ESF	More developed	Total	15,210,000.00	15,855,517.00	10,348,094.00	5,307,423.00	31,085,517.00	48.9610393415%	0.00	14,278,776.00	14,884,772.00	931,224.00	970,745.00	6.12%
4	ESF	More developed	Total	4,066,245.00	4,066,245.00	4,066,245.00	0.00	8,132,490.00	50.0000000000%	0.00	4,066,245.00	4,066,245.00			
<b>Total</b>	<b>ESF</b>	<b>More developed</b>		<b>203,312,254.00</b>	<b>209,557,330.00</b>	<b>142,365,048.00</b>	<b>67,192,282.00</b>	<b>412,869,584.00</b>	<b>49.2436987075%</b>	<b>0.00</b>	<b>191,113,519.00</b>	<b>196,976,244.00</b>	<b>12,198,735.00</b>	<b>12,581,086.00</b>	<b>6.00%</b>
<b>Grand total</b>				<b>203,312,254.00</b>	<b>209,557,330.00</b>	<b>142,365,048.00</b>	<b>67,192,282.00</b>	<b>412,869,584.00</b>	<b>49.2436987075%</b>	<b>0.00</b>	<b>191,113,519.00</b>	<b>196,976,244.00</b>	<b>12,198,735.00</b>	<b>12,581,086.00</b>	

(1) To be completed only when priority axes are expressed in total costs.

(2) This rate may be rounded to the nearest whole number in the table. The precise rate used to reimburse payments is the ratio (f).

**Table 18b: Youth Employment Initiative - ESF and YEI specific allocations (where appropriate)**

Priority axis	Fund	Category of region	Basis for calculation of Union support (Total eligible cost or public eligible cost)	Union support (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of national counterpart		Total funding (e) = (a) + (b)	Co-financing rate (f) = (a)/(e) (2)
						National public funding (c)	National private funding (d) (1)		
<b>Total</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>

Ratio	%
Ratio of ESF for less developed regions	0.00%
Ratio of ESF for transition regions	0.00%
Ratio of ESF for more developed regions	0.00%

(1) To be completed only when priority axes are expressed in total costs.

(2) This rate may be rounded to the nearest whole number in the table. The precise rate used to reimburse payments is the ratio (f).

**Table 18c: Breakdown of the financial plan by priority axis, fund, category of region and thematic objective**

Priority axis	Fund	Category of region	Thematic objective	Union support	National counterpart	Total funding
Tackling Poverty through Sustainable Employment	ESF	More developed	Promoting social inclusion, combating poverty and any discrimination	32,084,989.00	32,084,989.00	64,169,978.00
Skills for Growth	ESF	More developed	Promoting sustainable and quality employment and supporting labour mobility	4,930,322.00	4,930,322.00	9,860,644.00
Skills for Growth	ESF	More developed	Investing in education, training and vocational training for skills and lifelong learning	81,193,583.00	86,793,142.00	167,986,725.00
Youth Employment	ESF	More developed	Promoting sustainable and quality employment and supporting labour mobility	44,982,836.00	44,982,836.00	89,965,672.00
Youth Employment	ESF	More developed	Investing in education, training and vocational training for skills and lifelong learning	20,844,279.00	20,844,279.00	41,688,558.00
Public services reform and regional working	ESF	More developed	Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration	15,210,000.00	15,855,517.00	31,065,517.00
<b>Total</b>				<b>199,246,009.00</b>	<b>205,491,085.00</b>	<b>404,737,094.00</b>

**Table 19: Indicative amount of support to be used for climate change objectives**

Priority axis	Indicative amount of support to be used for climate change objectives (€)	Proportion of the total allocation to the operational programme (%)
2	4,420,238.00	2.17%
<b>Total</b>	<b>4,420,238.00</b>	<b>2.17%</b>

#### 4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

Description of the integrated approach to territorial development taking into account the content and objectives of the operational programme having regard to the Partnership Agreement and showing how it the operational programme contributes to the accomplishment of the objectives of the operational programme and expected results

1. The Welsh ESI fund programmes have all been developed taking a view across the whole of Wales, looking to address structural issues in a coherent and coordinated way. A key element to deliver this in an integrated, concentrated and simplified method will be effective targeting of all funds, including targeting based on specific and ongoing territorial needs and opportunities. This enables differing territorial development needs to be reflected in the most appropriate way (national, regional, sub-regional or local). The NUTS2 regions do not take into account sub-regional functional economic areas in Wales, such as the Cardiff City Region in South East Wales or the Swansea Bay City Region in South West Wales[1]. Integrated approaches to territorial development irrespective of these boundaries will therefore be actively encouraged. An outline of this approach for all ESI funds is set out in the Partnership Agreement. The Welsh Economic Prioritisation Framework[2] acts as a complement to the various Operational Programmes, helping to identify key spatial targeting approaches already underway and key opportunities for future investment.
2. Key spatial strategies are emerging supporting both the development of key urban areas (City Region strategies), rural areas (the Growth Zone initiatives[3]), and strategic sites (Enterprise Zones[4]). Each initiative has its own strategic planning and governance arrangements, complemented through local government and regional planning (e.g. Regional Learning Partnerships). There are clear common needs identified across each spatial analysis, including skills development to respond to identified need and demand from employers, as well as increasing connectivity, developing strategic infrastructure and attracting private sector investment. Alignment with these approaches therefore aligns closely to the objectives of the Operational Programmes, in particular where the development of critical mass can be supported.
3. The Managing Authority will work with beneficiaries to identify the most appropriate funding package across the ESI funds. This will be of particular importance for investments which seek to target those at risk of poverty, disadvantage and exclusion as set out in Section 5, and linking these target groups with economic opportunity at local, regional and national level.

[1] To see report on City Regions:

<http://wales.gov.uk/topics/businessandconomy/publications/120711cityregions/?lang=en>

[2] See: <http://wefo.wales.gov.uk/applyingforfunding/funding2014-2020/epf/?lang=en>

[3] For example in Powys

(<http://wales.gov.uk/topics/businessandconomy/policy/plgzones/?lang=en>) and the Teifi Valley (<http://wales.gov.uk/topics/businessandconomy/policy/teifi/?lang=en>)

[4] Seven Enterprise Zones have been identified across Wales, each focussing on specific sectors. More information available at: [www.enterprisezones.wales.gov.uk](http://www.enterprisezones.wales.gov.uk)

#### **4.1 Community-led local development (where appropriate)**

The approach to the use of community-led local development instruments and the principles for identifying the areas in where they will be implemented

1. The approach to Community Led Local Development (CLLD) is set out in the Welsh Chapter of the UK Partnership Agreement (UKPA) and will be centred on the integrated approach to territorial development described above and in the Welsh Chapter of the UK PA. No direct support for CLLD as set out in Article 32 of the Common Provisions Regulation is envisaged for this Operational Programme; however in order to ensure an integrated approach to territorial development direct links will be encouraged between CLLD supported through the EAFRD (under LEADER) or EMFF (FLAGS) and investments made under the ESF.
2. The regional coordination and delivery of regional strategies described in the Welsh Chapter of the UK Partnership Agreement will be expected to create links between the CLLD investments made under the RDP (and other community initiatives funded outside of the ESI funding framework) and the opportunities for regional integrated investments under the ESF. It is anticipated that the strengthened regional engagement to be put in place for the 2014-2020 programmes (as recommended by the Guilford Report) will have an explicit role to identify any links between different ESI funds.
3. The Welsh Chapter of the UK PA also details the relationship between CLLD investments under RDP. In practice this might take three distinct forms:
  - Successful pilot actions under LEADER or other Community schemes (e.g. Communities First) are scaled up from local pilots as part of regional demonstration schemes or within nationally delivered activity;
  - LEADER Groups (or other community partnerships) will be eligible to bid directly to the Managing Authority if they develop a scheme that fits with the programme strategy; and
  - LEADER Groups (or other community partnerships) will be encouraged to support the opportunities for Social Innovation as outlined in each of the Priority Axes.
4. To facilitate these linkages a number of administrative functions have been bought together as described in the Welsh Chapter of the UK Partnership Agreement. These include; a single programme monitoring Committee for the ERDF, ESF and EAFRD; a single Research Monitoring and Evaluation team; a single Cross Cutting Themes Unit; a single ESI Funds management board; a single website portal for ESI funds; and, a single set of national eligibility rules and guidance.

#### **4.2 Integrated actions for sustainable urban development (where appropriate)**

Where appropriate the indicative amount of ERDF support for integrated actions for sustainable urban development to be implemented in accordance with the provisions under Article 7(2) of Regulation (EU) No 1301/2013 and the indicative allocation of ESF support for integrated action.

1. No ESF will be used to support sustainable urban development in accordance with the provisions under Article 7(2) of the ERDF Regulation as this action does not feature within the ERDF programme. However, the design of ESF



investments will be expected to take due regard of ERDF funded actions supporting sustainable urban development which meet the spirit of the regulations. Regional and urban authorities will therefore be encouraged to consider opportunities for developing integrated programmes of complementary investments, utilising ESF in conjunction with wider investments (including other ESI funds) to deliver against integrated territorial strategies.

**Table 20: Integrated actions for sustainable urban development – indicative amounts of ERDF and ESF support**

Fund	ERDF and ESF support (indicative) (€)	Proportion of fund's total allocation to programme
Total ESF	0.00	0.00%
<b>TOTAL ERDF+ESF</b>	<b>0.00</b>	<b>0.00%</b>

#### 4.3 Integrated Territorial Investment (ITI) (where appropriate)

The approach to the use of Integrated Territorial Investments (ITIs) (as defined in Article 36 of Regulation (EU) No 1303/2013) other than in cases covered by 4.2, and their indicative financial allocation from each priority axis.

1. At the outset of the programme there is no immediate intention to use Integrated Territorial Investment (ITI) vehicles. This approach and a period of review are set out in the Welsh chapter of the UK Partnership Agreement.
2. At this time it is felt that the same benefits can be achieved through Welsh-designed implementation arrangements that would not require pre-selection of funding allocations or new reporting and monitoring requirements. The Welsh Managing authorities are seeking to ensure greater integration and coordination between all ESI funds in Wales, and as a small country are able to work closely with partners across Wales in delivering integrated territorial investments without needing to put in place new administrative architecture.
3. Regional and urban authorities will be encouraged to use existing planning and coordination mechanisms (for the delivery of existing territorial strategies) to prioritise investments for their territorial areas. The Managing Authority will work with those authorities to help identify the most appropriate ESI funding package, if relevant. For example an integrated package of support might be developed across the ESI funds to support the development of a City Region or Enterprise Zone, but this does not need to be done through an ITI, merely through effective planning and coordination.

**Table 21: Indicative financial allocation to ITI other than those mentioned under point 4.2 (aggregate amount)**

Priority axis	Fund	Indicative financial allocation (Union support) (€)
Total		<b>0.00</b>

#### 4.4 The arrangements for interregional and transnational actions, within the operational programme, with beneficiaries located in at least one other Member State (where appropriate)

1. A key challenge for the programme will be to more effectively mainstream cooperation actions and achieve better international coordination. This is particularly important for investments aimed at targeting shared social challenges and goals such as unemployment, youth unemployment, and labour market mobility and those targeting recognised equality groups and those most at risk of poverty. It is expected that operations supported in these areas through this programme will seek opportunities to incorporate some form of transnational or cooperation activity, international best practice or technical expertise.
2. Direct links are also being made between this programme and the European Territorial Cooperation programmes in which the programme area participates.

There are a number of common objectives, for which complementary funding packages will be sought in particular where skills investments will help underpin economic ambitions and investments.

**4.5 Contribution of the planned actions under the programme to macro-regional and sea basin strategies, subject to the needs of the programme area as identified by the Member State (where appropriate)**

(Where the Member State and regions participate in macro-regional strategies and sea basin strategies).

1. The UK is incorporated in the Atlantic Strategy and this is described in the UK Partnership Agreement. This is not seen as a key driver for this programme though links will be encouraged where opportunities arise specifically in the provision of skills which can support blue growth and cooperation on research and innovation.

## **5. SPECIFIC NEEDS OF GEOGRAPHICAL AREAS MOST AFFECTED BY POVERTY OR TARGET GROUPS AT HIGHEST RISK OF DISCRIMINATION OR SOCIAL EXCLUSION (WHERE APPROPRIATE)**

### **5.1 Geographical areas most affected by poverty/target groups at highest risk of discrimination or social exclusion**

1. In Wales poverty is defined as ‘*A long-term state of not having sufficient resources to afford food, reasonable living conditions or amenities, or to participate in activities (such as access to attractive neighbourhoods and open spaces) that are taken for granted by others in society*’. Social Exclusion or the ability to participate is strongly linked therefore to issues of Poverty.
2. The Socio Economic Analysis and the Equality Impact Assessment (EIA) demonstrates that those who are more likely to be at risk of exclusion, poverty, disadvantage or discrimination are not confined to any particular area. Place based geographical targeting through for example the Welsh Index of Multiple Deprivation 2011 (WIMD) can however help to demonstrate where concentrations of disadvantage and poverty exist.
3. The WIMD is the official measure of deprivation for small areas in Wales which are called Lower Super Output Areas (LSOAs). Although the geographical size of these LSOAs varies quite widely, and depends on the local population density, the populations are intended to be roughly the same in each, with an average population of 1,500. In WIMD 2011, the most deprived LAU1 (local authority) area is defined as the authority with the greatest fraction of its LSOAs in the most deprived 10% of all LSOAs in Wales. This method can be seen as identifying the concentration of the most deprived areas in a local authority, rather than an average level of deprivation.
4. As stated in the Socio Economic Analysis, interventions designed to improve employment and income outcomes are more likely to succeed when focussed on individuals. However the Welsh approach to the development of integrated activity as outlined in Section 4 will be of particular importance for investments which seek to target those at risk of poverty, disadvantage and exclusion, linking these target groups with economic opportunity and growth at local, regional and national level and placed based investments made across the ESI funds. All operations will be expected to incorporate such linkages and integrated approaches at an early stage in the development process.
5. The strategy and priority sections of this programme are broadly developed around three core target groups. These can be summarised as those in work, those out of work and young people. However it is recognised that whilst those who are most at risk of poverty, disadvantage, discrimination or exclusion may be found to a higher degree in one or other of the groups above they are not limited to any particular one of these areas. Discrimination or social exclusion is likely to be associated with individuals with specific individual (or multiple) characteristic or socio-economic circumstance. More entrenched issues of discrimination, poverty or exclusion are likely to be associated where multiple circumstances exist.
6. The EIA, which accompanies this programme, provides a robust assessment of the needs of those who may be at risk of exclusion, disadvantage or discrimination as a result of one or more characteristics protected under the Equality Act (2010) and their specific needs in terms of supporting access to employment and skills. These ‘protected characteristics’ include age (covering all age groups), disability, gender reassignment, marriage and civil partnership pregnancy and maternity, race and ethnicity, religion or belief, sex / gender and sexual orientation.

7. The EIA highlights that groups with characteristics protected under the Equality Act 2010 can face specific issues that impact upon their ability to access and progress within the labour market, and which place them at greater risk of poverty and exclusion. The EIA also shows that BME groups are disproportionately affected by unemployment[1], with ethnicity closely linked to income poverty.
8. The ESF programme and accompanying published documentation, including the Socio Economic Analysis which accompanies this programme, identifies additional target groups or individuals who are associated with particular Socio Economic circumstances and the particular challenges they may face. These economic circumstances may be both a means of identifying the individual or describing the barrier which they face to participation.
9. These can be summarised as:
  - workless households;
  - those furthest from the labour market, such as those with complex issues (welfare dependency, mental health, emotional or financial or homelessness), including those in persistent poverty;
  - those with alcohol dependency or substance misuse issues;
  - those in poverty or at risk of poverty as a result of barriers to employment and employability;
  - those with accessibility issues including difficulties accessing transport;
  - Young people, NEET and those who are at risk of becoming NEET;
  - those with care or childcare responsibilities, including teenage mothers and lone parents;
  - workers with no skills or low skills who are either at risk of long term unemployment or vulnerable to cycles of work and worklessness;
  - those facing in-work poverty; and
  - those at risk of slipping out of sustained employment or facing individual or work place barriers to progression in-work relating to issues such as ill-health and caring responsibilities.
10. The more complex the barriers or the greater the number of recognised characteristics individuals possess the greater likelihood of poverty or higher the risk of becoming poor.
11. Children from poorer or disadvantaged backgrounds and whose mothers have no qualifications have lower educational and occupational outcomes than other children[2]. They are at risk of poor educational attainment, are more likely to have poorer health outcomes and have lower skills and aspirations, as well as being more likely to be low paid, unemployed and welfare dependent in adulthood[3]. Research into child poverty[4] emphasises the importance of improving parenting and children's early development as a means of ending the inter-generational transmission of child poverty.
12. The Welsh Government Youth Engagement and Progression Framework and associated guidance will be key to identifying and targeting those young people most at risk of NEET. Early identification systems, pre 16, will focus as a core on attendance, behaviour and attainment indicators to identify, prioritise and track those most at risk of becoming NEET. The programmes in EW will target those who within this framework are identified as most at risk.

[1] See Institute for Race Relations: <http://www.irr.org.uk/research/statistics/poverty/>.

[2] UKCES (2010), *The Value of Skills: An Evidence Review*, July ISBN 978-1-906-597-51-1

[3] 2011 Children and Young People's Wellbeing Monitor for Wales

[4] Field MP, F. (2010) *The Foundation Years: Preventing poor children becoming poor adults. The report of the Independent Review on Poverty and Life Chances*

## **5.2 Strategy to address the specific needs of geographical areas most affected by poverty/target groups at highest risk of discrimination or social exclusion, and where relevant, the contribution to the integrated approach set out in the Partnership Agreement**

1. The commitment to promote social inclusion and combat poverty is reflected through the inclusion of a new horizontal objective or Cross Cutting Theme (CCT) across all ESI funds which will be an integral element of the overall programme approach to the implementation of the CCT's including Sustainable Development CCT and Equality of Opportunity CCT detailed in Section 11. Details of this approach and the overall approach of ESI funds in tackling poverty and social exclusion are included in the Welsh Chapter of the UKPA and further expanded below. The strategy for the ESF programmes has been developed in line with this overall approach.
2. The key Tackling Poverty CCT objectives for ESI programmes in Wales are:
  - the creation of jobs and growth providing employment opportunities for those who are out of work;
  - tackling barriers to employment such as poor skills, lack of childcare or limited transport options, helping more people to access employment opportunities; and
  - focusing on growth, aligned with skills development interventions, enabling those experiencing in-work poverty to access more highly-skilled, better paid jobs.
3. Specific activities within the implementation of the CCT will ensure that poverty, and the needs of those most at risk of poverty and discrimination will be central to all operations. Actions will include:
  - targets set at the level of activities to be supported by the programme, providing an important driver to addressing the programme's CCT;
  - CCT assessment at all stages of the development of operations;
  - on-going specialist advice to support operations through development and implementation. A key objective will be to provide the specialist input at an early stage in the process to maximise take-up of the opportunities to promote the CCT;
  - a programme of awareness raising and training will be provided to WEFO staff and beneficiaries on how to integrate the CCT;
  - activity level guidance will be prepared together with best practice case study examples that will provide specific information on how beneficiaries can address the CCT within their operation plans;
  - regular monitoring of progress, allowing for early intervention if necessary; and
  - update reports to PMC and other stakeholders.
4. The Welsh Government has a cross governmental focus on tackling poverty. The Tackling Poverty Action Plan argues that the Welsh Government's commitment

to social justice and equality of opportunity makes it essential in the current climate that we continue to drive forward tackling poverty by prioritising the needs of the poorest and protecting those most at risk of poverty and exclusion. Particular emphasis is placed on targeted action to help people improve their skills and qualifications, recognising that the best route out of poverty is through employment.

5. The ESF programmes will reinforce the Welsh Government expectation that integrated action would be taken within the ESI programmes to promote social inclusion and combat poverty, contributing simultaneously to the 2020 initiative and the Welsh Government's Tackling Poverty Action Plan. For this to work effectively operations will need to clearly demonstrate at assessment, the integration of ESF interventions to address poverty and discrimination with wider economic investments and growth opportunities including placed based investment through other ESI funds.
6. As discussed in the Welsh Chapter of the UKPA actions will not be undertaken which are solely aimed at addressing the effects of poverty. The ESF programme will deliver an integrated programme of interventions that combat poverty and social exclusion, economic inactivity and worklessness while also taking preventative action to support those at risk of falling into poverty. Results will be evidenced through reduced rates of poverty and persistent poverty, reduced unemployment, including youth unemployment, and economic inactivity. There will be fewer workless households, qualification levels and earnings will be increased and, in terms of the longer term legacy impacts, early school leaving, NEET rates, especially amongst those 16-18, and the numbers of those at risk of NEET will be reduced.
7. The ESF programme is constructed around three main Priority Axes; **Tackling Poverty through Sustainable Employment, Skills for Growth and Youth Employment**. In line with the ESF regulations we will commit at least 20% of our ESF to the '*promoting social inclusion, combating poverty and any discrimination*' Thematic Objective. This concentration will be achieved through the **Tackling Poverty through Sustainable Employment Priority Axis**.
8. Promoting access to sustainable employment is seen in Wales as the main route for tackling poverty and social exclusion and there are also substantial economic benefits from increasing employment rates and tackling economic inactivity. Individuals in workless households are also more likely to experience persistent poverty, so actions which support this group in particular will be important. Many other longer term benefits can also be realised from sustainable employment, for example improved health and well being and tackling disadvantage and deprivation.
9. However as the evidence above shows, poverty, the risk of poverty, discrimination and exclusion are not limited to unemployed individuals only. The programme recognises this and will look to undertake actions which will reduce poverty and the risk of poverty through all priorities. These actions themselves will not contribute to the poverty concentration target however they will be intrinsic to a coordinated and holistic approach to addressing the target groups identified and those at most risk of poverty.
10. The **Skills for Growth Priority Axis** will support investment in skills to support progression in employment including for those with no skills or basic skills, and therefore help tackle in-work poverty. Actions will support those in low paid, low hour or temporary jobs to progress in employment. The creation of high-skilled jobs and progression opportunities will have wider employment benefits and have the potential to free up entry level jobs for the unemployed.

11. The **Youth Employment Priority Axis** will support action to increase the rate of youth employment and reduce the impacts periods of unemployment or NEET can have on income and poverty in the long term. Through increasing engagement and attainment amongst those young people most at risk we will reduce the risk of future NEET or unemployment and reduce longer term risks of poverty



**Table 22: Actions to address specific needs of geographical areas most affected by poverty/target groups at highest risk of discrimination or social exclusion**

Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	Fund	Category of region	Investment priority
Those furthest from the labour market	<p>Activities, including the development of innovative solutions, to address and overcome complex barriers to accessing sustainable employment and improving employability including for example through the provision of mentor support</p> <p>Actions to address barriers such as care or childcare including innovative actions linked to improving the availability of affordable quality childcare</p> <p>Actions to support the target groups to access sustainable employment opportunities, particularly in areas of economic and employment growth, including basic job search, CV writing and interview skills.</p> <p>Actions to enhance employability including supporting access to work experience or work focused volunteering as a pathway to employment or self employment where appropriate</p> <p>Actions which update and enhance skills levels, including essential skills, through gaining qualifications or work relevant certification.</p> <p>Support for the Economically Inactive to develop self confidence and perception of work as a meaningful and realistic option.</p> <p>Targeted actions, where appropriate, to address other associated barriers to sustainable employment such as prolonged periods of worklessness, ICT, transport and finance and debt management.</p>	1 - Tackling Poverty through Sustainable Employment	ESF	More developed	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
Those with accessibility issues	Actions, where appropriate, to support self	1 - Tackling	ESF	More	9i - Active inclusion, including with a view to

Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	Fund	Category of region	Investment priority
including difficulties accessing transport	employment as a realistic and flexible option for employment. Support for the Economically Inactive target group to develop self confidence and perception of work as a meaningful and realistic option. Targeted actions to address associated barriers to sustainable employment such as transport.	Poverty through Sustainable Employment		developed	promoting equal opportunities and active participation, and improving employability
Those with alcohol dependency or substance misuse issues	Actions to support those with a work limiting health condition to access sustainable employment, including job search, CV writing and interview skills and alignment of existing skills and competencies with work opportunities Actions to update or increase their skills and qualifications Activities, including the development of innovative solutions, to address and overcome complex barriers to accessing sustainable employment and improving employability. Actions to enhance employability including supporting access to work experience or work focused volunteering as a pathway to employment or self employment where appropriate Support for the Economically Inactive to develop self confidence and perception of work as a meaningful and realistic option. Targeted actions, where appropriate, to address other associated barriers to sustainable employment such as prolonged periods of worklessness, ICT, transport and finance and debt management.	1 - Tackling Poverty through Sustainable Employment	ESF	More developed	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability
Those with care or childcare responsibilities, including teenage mothers and lone parents	Actions to address barriers such as care or childcare including innovative actions linked to improving the availability of affordable quality childcare.	1 - Tackling Poverty through Sustainable Employment	ESF	More developed	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability

Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	Fund	Category of region	Investment priority
	<p>Activities, including the development of innovative solutions, to address and overcome complex barriers to accessing sustainable employment and improving employability.</p> <p>Actions to enhance employability including supporting access to work experience or work focused volunteering as a pathway to employment or self employment where appropriate</p> <p>Actions which update and enhance skills levels, including essential skills, through gaining qualifications or work relevant certification.</p> <p>Support for the Economically Inactive target group to develop self confidence and perception of work as a meaningful and realistic option.</p> <p>Targeted actions, where appropriate, to address other associated barriers to sustainable employment amongst the target group such as prolonged periods of worklessness, ICT, transport and finance and debt management.</p>				
Workers with no skills or low skills who are either at risk of long term unemployment or vulnerable to cycles of work and worklessness	<p>Actions to support those with no or low skills to access sustainable employment.</p> <p>Activities, including the development of innovative solutions, to address and overcome complex barriers to accessing sustainable employment and improving employability including for example through the provision of mentor support.</p> <p>Actions to support access to sustainable employment opportunities, particularly in areas of economic and employment growth, including basic job search, CV writing and interview skills.</p> <p>Actions to enhance employability including supporting access to work experience or work</p>	1 - Tackling Poverty through Sustainable Employment	ESF	More developed	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability

Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	Fund	Category of region	Investment priority
	<p>focused volunteering as a pathway to employment or self employment where appropriate</p> <p>Actions which update and enhance skills levels, including essential skills, through gaining qualifications or work relevant certification</p> <p>Support for the Economically Inactive target group to develop self confidence and perception of work as a meaningful and realistic option.</p>				
Workless households	<p>Activities, including the development of innovative solutions, to address and overcome complex barriers to accessing sustainable employment and improving employability including for example through the provision of mentor support.</p> <p>Actions to address barriers such as care or childcare including innovative actions linked to improving the availability of affordable quality childcare</p> <p>Actions to support the target groups to access sustainable employment opportunities, particularly in areas of economic and employment growth, including basic job search, CV writing and interview skills.</p> <p>Actions to enhance employability including supporting access to work experience or work focused volunteering as a pathway to employment or self employment where appropriate</p> <p>Actions which update and enhance skills levels, including essential skills, through gaining qualifications or work relevant certification.</p> <p>Support for the Economically Inactive to develop self confidence and perception of work as a meaningful and realistic option.</p>	1 - Tackling Poverty through Sustainable Employment	ESF	More developed	9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability

Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	Fund	Category of region	Investment priority
	Targeted actions, where appropriate, to address other associated barriers to sustainable employment such as prolonged periods of worklessness, ICT, transport and finance and debt management.				
Those at risk of slipping out of sustained employment or facing individual or work place barriers to progression in-work relating to issues such as ill-health and caring responsibilities	<p>Actions which offer flexible working practices and solutions to women to provide them with increased job security, increased or more flexible working hours, increased pay and/or career advancement.</p> <p>Interventions which provide women with the support and skills development to promote career advancement and progression within the workplace.</p> <p>Actions with employers which raise their awareness of gender disadvantage in the workforce and to support the development of equality and diversity policies and flexible working practices.</p>	2 - Skills for Growth	ESF	More developed	8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work
Those at risk of slipping out of sustained employment or facing individual or work place barriers to progression in-work relating to issues such as ill-health and caring responsibilities	Targeted interventions to stimulate demand for skills and workforce development and to provide the skills needed to support organisational growth and adaptability to economic and labour market challenges.	2 - Skills for Growth	ESF	More developed	10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
Those facing in-work poverty	<p>Actions to provide basic and essential skills provision for employed individuals with low skills or with no formal qualifications.</p> <p>Actions to provide technical or job specific vocational qualifications for employed individuals with low skills or with no formal qualifications.</p> <p>Provision of apprenticeships for employed individuals with low skills or with no formal</p>	2 - Skills for Growth	ESF	More developed	10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences

Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	Fund	Category of region	Investment priority
	<p>qualifications, and actions to encourage the availability and take up of apprenticeship places.</p> <p>Developing skills to break down barriers to engagement with technologies, such as digital skills, reducing social isolation and increasing access to work progression opportunities on-line.</p>				
Those facing in-work poverty	<p>Actions which offer flexible working practices and solutions to women to provide them with increased job security, increased or more flexible working hours, increased pay and/or career advancement.</p> <p>Interventions which provide women with the support and skills development to promote career advancement and progression within the workplace.</p> <p>Actions with employers which raise their awareness of gender disadvantage in the workforce and to support the development of equality and diversity policies and flexible working practices.</p>	2 - Skills for Growth	ESF	More developed	8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work
Those with alcohol dependency or substance misuse issues	Targeted interventions to stimulate demand for skills and workforce development and to provide the skills needed to support organisational growth and adaptability to economic and labour market challenges.	2 - Skills for Growth	ESF	More developed	10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
Those with care or childcare responsibilities, including teenage mothers and lone parents	<p>Actions to provide basic and essential skills provision for employed individuals with low skills or with no formal qualifications.</p> <p>Actions to provide technical or job specific vocational qualifications at for employed individuals with low skills or with no formal</p>	2 - Skills for Growth	ESF	More developed	10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance

Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	Fund	Category of region	Investment priority
	<p>qualifications.</p> <p>Provision of apprenticeships for employed individuals with low skills or with no formal qualifications, and actions to encourage the availability and take up of apprenticeship places.</p> <p>Developing skills to break down barriers to engagement with technologies, such as digital skills, reducing social isolation and increasing access to work progression opportunities on-line.</p> <p>Provision of apprenticeships and higher level apprenticeships for employed individuals with skills at Level 2 or above.</p> <p>Actions to provide intermediate and higher level technical and job specific vocational qualifications.</p> <p>Targeted interventions to stimulate demand for skills and workforce development and to provide the skills needed to support organisational growth and adaptability to economic and labour market challenges</p>				and validation of acquired competences
Those with care or childcare responsibilities, including teenage mothers and lone parents	<p>Actions which offer flexible working practices and solutions to women to provide them with increased job security, increased or more flexible working hours, increased pay and/or career advancement;</p> <p>Interventions which provide women with the support and skills development to promote career advancement and progression within the workplace; and</p> <p>Actions with employers which raise their awareness of gender disadvantage in the workforce and to support the development of equality and diversity policies and flexible</p>	2 - Skills for Growth	ESF	More developed	8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work

Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	Fund	Category of region	Investment priority
	working practices.				
Workers with no skills or low skills who are either at risk of long term unemployment or vulnerable to cycles of work and worklessness	<p>Actions to provide basic and essential skills provision for employed individuals with low skills or with no formal qualifications.</p> <p>Actions to provide technical or job specific vocational qualifications for employed individuals with low skills or with no formal qualifications.</p> <p>Provision of apprenticeships for employed individuals with low skills or with no formal qualifications, and actions to encourage the availability and take up of apprenticeship places.</p> <p>Developing skills to break down barriers to engagement with technologies, such as digital skills, reducing social isolation and increasing access to work progression opportunities on-line.</p>	2 - Skills for Growth	ESF	More developed	10iii - Enhancing equal access to lifelong learning for all age groups in formal, non formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences
Workers with no skills or low skills who are either at risk of long term unemployment or vulnerable to cycles of work and worklessness	<p>Actions which offer flexible working practices and solutions to women to provide them with increased job security, increased or more flexible working hours, increased pay and/or career advancement.</p> <p>Interventions which provide women with the support and skills development to promote career advancement and progression within the workplace.</p> <p>Actions with employers which raise their awareness of gender disadvantage in the workforce and to support the development of equality and diversity policies and flexible working practices.</p>	2 - Skills for Growth	ESF	More developed	8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work
Those with care or childcare responsibilities, including teenage	Actions to ensure that young people gain the skills, competencies and experience required to	3 - Youth Employment	ESF	More developed	8ii - Sustainable integration into the labour market of young people (ESF), in particular



Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	Fund	Category of region	Investment priority
mothers and lone parents	<p>access sustainable employment, including self-employment.</p> <p>Support young people to access and maintain sustained employment.</p> <p>Activities with enterprises and educators to challenge traditional assumptions and stereotypes and to raise participation levels in occupations and sectors where a particular gender or recognised equality groups are under-represented.</p>				those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee
Those with care or childcare responsibilities, including teenage mothers and lone parents	<p>Early targeted action to combat disaffection, provide access to a broader and innovative range of learning options supporting the acquisition of both vocational and higher level skills and prevent young people from falling out of education.</p> <p>Equip young people with a range of skills that allow them to be more flexible and adaptable in a fast changing labour market and gain sustainable employment, encouraging linkages between career choices and longer term labour market trends and tackling traditional gender stereotypes in employment.</p> <p>Support the development of practitioners in order to better engage with disadvantaged young people and to improve linkages with, and knowledge of, the private sector.</p> <p>Removing barriers to learning, helping create independence, and providing individual mentoring and advocacy advice to young people.</p>	3 - Youth Employment	ESF	More developed	10i - Reducing and preventing early school leaving and promoting equal access to good quality early childhood, primary and secondary education including formal, non formal and informal learning pathways for reintegrating into education and training
Young People, NEET and those who are risk of becoming NEET	<p>Early targeted action to combat disaffection, provide access to a broader and innovative range of learning options supporting the acquisition of both vocational and higher level</p>	3 - Youth Employment	ESF	More developed	10i - Reducing and preventing early school leaving and promoting equal access to good quality early childhood, primary and secondary education including formal, non formal and

Target group/geographical area	Main types of planned action as part of integrated approach	Priority axis	Fund	Category of region	Investment priority
	<p>skills and prevent young people from falling out of education.</p> <p>Equip young people with a range of skills that allow them to be more flexible and adaptable in a fast changing labour market and gain sustainable employment, encouraging linkages between career choices and longer term labour market trends and tackling traditional gender stereotypes in employment.</p> <p>Support the development of practitioners in order to better engage with disadvantaged young people and to improve linkages with, and knowledge of, the private sector.</p> <p>Removing barriers to learning, helping create independence, and providing individual mentoring and advocacy advice to young people.</p>				informal learning pathways for reintegrating into education and training
Young People, NEET and those who are risk of becoming NEET	<p>Ensure that young people gain the skills, competencies and experience required to access sustainable employment, including self-employment.</p> <p>Support young people to access and maintain sustained employment.</p> <p>Activities with enterprises and educators to challenge traditional assumptions and stereotypes and to raise participation levels in occupations and sectors where a particular gender or recognised equality groups are under-represented.</p>	3 - Youth Employment	ESF	More developed	8ii - Sustainable integration into the labour market of young people (ESF), in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee

**6. SPECIFIC NEEDS OF GEOGRAPHICAL AREAS WHICH SUFFER FROM SEVERE AND PERMANENT NATURAL OR DEMOGRAPHIC HANDICAPS (WHERE APPROPRIATE)**

1. Not applicable.

## 7. AUTHORITIES AND BODIES RESPONSIBLE FOR MANAGEMENT, CONTROL AND AUDIT AND THE ROLE OF RELEVANT PARTNERS

### 7.1 Relevant authorities and bodies

**Table 23: Relevant authorities and bodies**

Authority/body	Name of authority/body and department or unit	Name of the person responsible for the authority/body (position or post)
Managing authority	Welsh European Funding Office (WEFO)	WEFO Chief Executive
Certifying authority	Welsh European Funding Office (WEFO)	Head of Certifying Authority
Audit authority	European Funds Audit Team (Welsh Government)	Deputy Director, Corporate Governance & Assurance (Welsh Government)
Body to which Commission will make payments	Department for Finance and Corporate Services (Welsh Government)	Director General, Finance & Corporate Services (Welsh Government)

### 7.2 Involvement of relevant partners

#### *7.2.1 Actions taken to involve the relevant partners in the preparation of the operational programme, and the role of those partners in the implementation, monitoring and evaluation of the programme*

1. The Operational Programme has been developed in partnership with key stakeholders. WEFO, as Managing Authority has led the process and taken responsibility for drafting the Operational Programmes with extensive engagement with partners over the development and content.
2. This has involved a number of specifically appointed Advisory Groups and expert workstreams / working groups together with extensive public engagement over the development period. Membership of each group reflected a full range of stakeholder interests (and those specified in Article 5) from the public, private and third sectors, together with appropriate gender and geographical balance and with equality and environmental interests represented. The various groups are described below with membership details at section 12.3.
3. Before embarking upon drafting the Operational Programme the then Deputy Minister for Agriculture, Food, Fisheries and European Programmes initiated a “**Reflections Exercise**”[1] which provided stakeholders with an early opportunity to comment on the strategic direction and future investment priorities based on the draft legislative proposals. Partners and stakeholders were generally supportive of the principles underpinning the legislative proposals and the need to align the new programmes with Welsh Government policy objectives to maximise impact. This enabled the Deputy Minister to outline the strategic direction and a number of guiding principles under which the 2014-2020 programmes would be developed in a statement to the National Assembly for Wales on 8 May 2012[2]. These included the need to focus and concentrate resources on areas most likely to have a transformational impact on the Welsh economy and contribute significantly to job creation.
4. Initial work was assisted through the **Ministerial Advisory Group on European Programmes**, a small task-and-finish group, established to generate ideas and advise Ministers directly on a number of key strategic issues. The members were carefully selected as experts in their field, with the ability and insight to offer the necessary strategic thinking across all programme and policy areas. The group

consists of external experts with significant experience and strategic expertise, senior Officials from the main Welsh Government spending departments and advisors offering specialist advice, including senior officials responsible for the development and delivery of European programmes.

5. **The European Programmes Partnership Forum** was established as the main vehicle for external stakeholder engagement on European funding developments post 2013. The Forum was established in 2011 and remained in operation during the entire programme development period; providing direct input into the formation of both the Operational Programme and the Welsh Chapter of the UK Partnership Agreement. The membership was drawn partially from the All-Wales Programme Monitoring Committee (PMC), supplemented with additional partners to ensure that the Forum reflected the interests of all relevant stakeholder groups in Wales. The formation of the group provided a balance of interests and reflected an appropriate level of private sector representation, gender balance, spread across funds, and geographical representation.
6. Four **technical workstream groups** were established in mid 2012 to consider the technical and operational detail of the 2014 to 2020 programmes and to advise on the content, processes and procedures reflecting Ministerial strategic direction. These covered:
  - Operational Programmes;
  - Delivery and Compliance;
  - Monitoring and Evaluation; and
  - Territorial Cooperation.
7. Members of the Operational Programmes workstream were directly involved in defining the content of the programmes including the direction of the strategy and cross cutting themes (horizontal principles) while members of the Delivery and Compliance and Monitoring and Evaluation workstreams were specifically involved in the consideration and preparation of guidance, indicators and delivery and control arrangements. Members were appointed via invitations for nominations and were selected based on experience of EU funded programmes together with relevant EU, UK and Welsh policy, and relevant subject experience appropriate to each Workstream. A full stakeholder interest, geographical and gender balance was maintained.
8. Finally, to ensure proposals were aligned to Welsh Government policies and strategies a **Welsh Government European Programmes Policy Group** was established. Policy Group meetings followed those of the Operational Programmes workstream and both groups informed the draft proposals presented for public consultation in early 2013. Members comprised senior level policy representatives nominated by Directors General from all relevant Welsh Government Departments.
9. A full **public consultation**, ‘Wales and the EU: Partnership for Jobs and Growth’ was launched on 14 January 2013 to seek views from partners on the Welsh Government’s proposals for the Structural and Rural Development Funds. The consultation ended on the 23 April 2013, and generated 126 responses for the Structural Fund proposals, 29 of which were specifically relating to EW and 18 specifically covering both EW and WWV[3].
10. The consultation was supported by four Welsh Government regional stakeholder events, with over 300 stakeholders attending to discuss the key opportunities and challenges in a series of workshops. A number of external stakeholder groups also organised sectoral events during the consultation period which were attended by WEFO officials.

11. Consultants were appointed to analyse the results of the consultation and their Structural Funds report was published on the WEFO[4] and Welsh Government websites and announced by the Minister of Finance in a statement to the National Assembly for Wales on 9 July 2013. The consultants appointed to analyse the consultation were from the same organisation responsible for the Ex Ante Evaluation and therefore had a detailed understanding of the issues raised.
12. The consultation generated overwhelming support for the Structural Fund proposals both in terms of the Investment Priorities selected and the importance of concentrating resources in order to achieve a transformational impact. A number of respondents commented on the value of including within the ESF programme a discrete Priority Axis to tackle poverty and social exclusion. In line with the Welsh Government policy, as articulated within its Tackling Poverty Action Plan, which states that the best route out of poverty is through employment, and in response to the concerns raised, WEFO incorporated a 'Tackling Poverty through Sustainable Employment' Priority Axis, into the ESF programme in EW.
13. Actions within the Priority Axis will support the long term unemployed and economically inactive, who are most at risk of poverty and social exclusion, to overcome barriers to labour mobility and access sustainable employment. These actions also complement the cross-cutting theme on Tackling Poverty and Social Exclusion, which embeds tackling poverty across the ESF and ERDF programmes.
14. A single **Wales Programme Monitoring Committee** for the 2014-2020 European and Structural Investment (ESI) programmes has been established in shadow form and will be formally be adopted following approval of the programmes by the European Commission.
15. The PMC will cover all three ESI funds managed by the Welsh Government (ERDF, ESF, EAFRD) and will be responsible for approving Structural Funds operation selection criteria, examining the progress made in delivering agreed programme objectives and any modifications to the programmes, and agreeing the Evaluation Plan and any modifications to the programmes.
16. The membership of 27 (plus Chair), based on the principles of partnership and many of the best practices set out in the European Code of Conduct on Partnership, consists of 6 expert members appointed via a public appointments process and 21 members nominated on a sectoral basis. Members are drawn from across the private, public and third sectors (including economic and social partners, national, regional and local authorities; and representatives of civil society including environmental and equality bodies). The membership composition was also designed to deliver a broad gender balance and distribution across the two Welsh regions and the urban/rural dimension. Draft terms of reference will be prepared and agreed at the inaugural meeting. This will include detailed guidance on how potential conflicts of interests are addressed.
17. The establishment of a single PMC was supported by our partners on the basis of the feedback received during the public consultation and will facilitate a more holistic assessment of the impact and effectiveness of the funds in delivering the EU2020 agenda, set against the Economic Prioritisation Framework and supported by enhanced management and monitoring information.
18. The existing Delivery and Compliance and Evaluation Advisory Groups will remain in operation for the duration of the 2014-2020 programmes to continue to advise on delivery and implementation (including the content of guidance) and monitoring and evaluation arrangements. These groups have been in existence

throughout the 2007-13 programming period and comprise wide internal Welsh Government and external stakeholder interests.

19. The Delivery and Compliance Group is a technical expert group established by the Managing Authority (WEFO) as a forum for partners to feedback implementation and compliance operational issues.
20. The Group's work informs the work of PMC, and has a specific remit to review WEFO's regular 'Compliance Report' before presentation at the PMC. This includes audit results and common errors found in management verification work. The group supports the PMC to satisfy itself of the effectiveness and quality of the implementation of the Welsh Structural Funds Programmes in the areas of delivery and compliance.
21. The role of the Evaluation Advisory Group is to advise and assist in designing evaluation studies, quality controlling the research final reports and ensuring that findings are disseminated widely. The group will also monitor the implementation of the Monitoring and Evaluation Strategy for the Structural Funds programmes in Wales for the period 2014–2020.
22. There are no plans to entrust part of the management of the Operational Programme to Intermediate Bodies, for example by using Global Grants or Integrated Territorial Investments and using the provisions set out in Article 123(7) of the Common Provisions Regulation (CPR) EU 1303/2013. Intermediate Bodies, using the provisions set out in article 123(6) of the CPR, will be designated to perform certain delegated tasks in relation to the management of certain aid schemes. Delegated tasks will include, at least, the selection of projects (beneficiaries), the issue of documents to beneficiaries that set out the conditions of support and state aid administration for the scheme. The Intermediate Bodies designated to manage the aid schemes are likely to be Welsh Government departments.

[1]

<http://wefo.wales.gov.uk/programmes/post2013/milestones/120515reflectionsexercise/?lang=en>

[2] <http://www.assemblywales.org/bus-home/bus-chamber-fourth-assembly-rop.htm?act=dis&id=233432&ds=5%2F2012#dat4>

[3]

[http://wales.gov.uk/consultations/businessandconomy/130114walesandtheeu/?lang=en&utm\\_source=130114&utm\\_medium=wefowebste&utm\\_campaign=consultation\\_en](http://wales.gov.uk/consultations/businessandconomy/130114walesandtheeu/?lang=en&utm_source=130114&utm_medium=wefowebste&utm_campaign=consultation_en)

[4] <http://wefo.wales.gov.uk/news/latest/130115consultation/?lang=en>

### **7.2.2 Global grants** (for the ESF, where appropriate)

1. We will not be utilising global grants in the implementation of ESF in the Programme Area.

### **7.2.3 Allocation of an amount for capacity building** (for the ESF, where appropriate)

1. The participation of the social partners (business and trade unions) will be actively encouraged in the implementation of the ESF programme in EW. It is not proposed to invest specifically in building the capacity of social partners within the main priority axes of the programme however there will continue to be a role in implementation through procured delivery and as beneficiaries leading on, or participating in, the delivery of operations as is the case in the 2007-2013 programmes.
2. The following activities provide an indication of actions that could be taken forward in close collaboration with the social partners:
  - Strengthening links between business and education aimed at ensuring that there is a closer integration between employer needs and the vocational and basic skills curricula;
  - Greater role in communicating labour market intelligence on future employment and skills needs across the Welsh Economy;
  - Actions which improve the effectiveness of social dialogue and activities jointly undertaken by or led by the social partners, in particular as regards the adaptability of workers and enterprises; and
  - Partnership initiatives aimed at promoting equality and diversity in employment and in the workforce generally.
3. In the 2007-2013 programme period Technical Assistance has been used to support the engagement of, and developing the capacity of, NGO's and voluntary organisations in the delivery of programmes. This has included the provision of tailored support, information, advice and networking opportunities. It is proposed that similar activities will be possible through Technical Assistance activities within the ESF programme as described in Section 2.B, these will include:
  - Management – further developing the functions and systems of the Managing Authority to deliver integrated sustainable programmes and to provide expert advice and guidance to beneficiaries;
  - Partnership and Networking – facilitating effective engagement and partnership working with stakeholders in support of programme implementation;
  - Monitoring – establishing and supporting the single ESI Funds Programme Monitoring Committee;
  - Research and Evaluation – continuing to deliver quality evidence based information to support programme delivery;
  - Information and Publicity – highlighting the value added by the EU working in partnership with the Welsh Government and its partners; and
  - Audit and Control – delivering effective and compliant programmes in Wales.



## **8. COORDINATION BETWEEN THE FUNDS, THE EAFRD, THE EMFF AND OTHER UNION AND NATIONAL FUNDING INSTRUMENTS, AND WITH THE EIB**

The mechanisms to ensure coordination between the Funds, the European Agricultural Fund for Rural Development (EAFRD), the European Maritime and Fisheries Fund (EMFF) and other Union and national funding instruments, and with the European Investment Bank (EIB), taking into account the relevant provisions laid down in the Common Strategic Framework.

1. The approach to the delivery and coordination of the ESI funds in Wales is set out in the Welsh Chapter of the UKPA, with all funds being delivered together and overseen by a single Programme Monitoring Committee (PMC). A coordination group comprising representatives from the Managing Authorities for each of the Funds will be established to promote coordination across the Funds, identifying the most appropriate source of funding and building portfolios of operations in areas of common interest and ensuring no duplication of funding.
2. A suite of guidance documents, including an Economic Prioritisation Framework (EPF), will be used to drive synergy between ESI Funds and wider investments in the Welsh economy. The EPF aims to capture the wider investments which are of relevance to the ESI funds. Using this Framework, all ESI funds will be expected to add value to those wider investments, avoiding duplication and building on existing assets.
3. ESF investments in human capital will complement and combine with investments made by the wider ESI funds in order to facilitate the realisation of the overall aims and objectives of the ESI Funds in Wales. A strict approach to demarcation has been avoided for 2014-2020 to facilitate the joint development of schemes and operations. Therefore, where clear additionality to provision under EAFRD and EMFF is demonstrable, individuals involved in farming and fishing will be able to access ESF support.
4. Specific information on the complementarity between specific ESF Priority Axes and other ESI Funds is given below, while the contribution of the ESF programme to Thematic Objectives 1-7, is detailed in each ESF Priority Axis. The approach to coordination and integration with ERDF and EAFRD is outlined in Section 4, which highlights the use of existing planning and coordination mechanisms to prioritise investments and to identify and integrate the most appropriate ESI funding package.
5. In all cases complementary between investments will be sought and the potential for use of flexibilities or joint funding will be explored on a case by case basis. This will be achieved through the operation selection criteria by which every operation will be required, amongst a number of other criteria, to demonstrate:
  - how they have considered the other relevant funding sources;
  - to articulate how they are linking into or establishing complementarity with these funds and the investments which they are supporting; and,
  - to evidence how their proposal links into and adds value to wider investment programmes.
6. There will be opportunities for complementarity with actions being supported by the ESF programme in West Wales and the Valleys (WWV). Common Priority Axes of “Tackling Poverty through Employment”, “Skills for Growth” and “Youth Employment” have been designed across both programmes, utilising the same Thematic Objectives and Investment Priorities. Both Programmes will be managed by WEFO as Managing Authority, with the same teams managing the equivalent Priority Axes across both programmes, overseen by an ESF portfolio management group.

7. Where the aims of the Programmes and Specific Objectives of the Priority Axes complement each other, WEFO will facilitate the establishment of both complementary operations and complementarity between operations. The approach will vary by Priority Axis dependant on the strength of the complementarity. It will also vary by operation, reflecting the proportionality principle.
8. **Tackling Poverty through Sustainable Employment**
9. Employment policy is a non-devolved competency area with benefit, welfare and core employment programmes policy and delivery managed through the UK Government. The UK Government programme for welfare reform will have a significant impact on the delivery of ESF supported employment actions both within this Priority Axis and the Youth Employment Priority Axis. The ESF programmes, focused around an emphasis on poverty and sustainable employment will complement and add value to mainstream provision in relevant areas. The Managing Authority will work alongside and support wider Welsh Government arrangements which coordinate the interrelationships with UK Government provision in these areas.
10. The Welsh National Eligibility Rules, made available via the WEFO website and updated throughout the Programme period, will provide guidance on the eligibility of individuals in relation to the mainstream UK Government programmes. The guidance will support operations to demonstrate added value to mainstream provision, while avoiding duplication. An assessment of how any proposed operation fits within the context of mainstream UK Government employment support will be essential to demonstrate added value and will feature as part of the selection and assessment process.
11. ESF interventions to increase the supply of work-ready individuals and better link workforce supply to employer demand and promote self-employment as a means of engaging with the labour market will complement ERDF, EAFRD and EMFF investments to stimulate business growth and increased productivity and to develop local supply chains.
12. Rurality and peripherality exacerbate barriers to inclusion and participation. There is considerable scope for ESF interventions to increase the supply of work-ready individuals to complement ERDF and EAFRD interventions to improve physical accessibility to employment and training opportunities and centres and to ensure that residents are able to take advantage of new opportunities which result from infrastructure investment (including any inward investment).
13. Specific links will also be made with the European Territorial programmes in which Wales participates, in particular where complementary investments can be made to support those areas where employment growth is anticipated. The co-location of a European Territorial Cooperation Unit with the Managing Authority for ESF, with WEFO acting as Managing Authority for the 2014-2020 Ireland-Wales Cooperation Programme, will help ensure coordination of these funds.
14. The **European Globalisation Adjustment Fund** offers support geared to helping workers who have suffered redundancy as a result of changing global patterns. ESF interventions, while concentrating on employment as the best route out of poverty, are distinct from this Fund as they are focused on supporting people furthest from the labour market, defined as long term unemployed and economically inactive, to find and sustain employment
15. **The Fund for European Aid to the most Deprived** (FEAD) in the UK, is subject to specific geographical targeting and is not operating in Wales.
16. Complementarity exists between the **Progress** and **EURES** programmes and ESF actions. The Managing Authority will work closely with the UK National

Contacts for these programmes to stimulate specific links and complementarities. An assessment of how any proposed operation fits within this context will feature as part of the selection and assessment process. Expert advice will be sought where required.

17. As with the ERDF SME Competitiveness Priority Axis, the **European Progress Microfinance Facility** (which supports selected microcredit providers in the EU to increase lending), offers the opportunity to create linkages between ESF interventions supporting those seeking to move towards sustainable employment through starting their own business and business finance and start up support programmes. Although ESF is focused on the long term unemployed and economically inactive, there may be some linkages in this area as it is not proposed to provide start up support through ESF.
18. **Skills for Growth**
19. ESF investments to up-skill the workforce, address specific skills gaps and to increase the supply of individuals with technical, specialised and higher level skills will work alongside rural specific skills training provided via the EAFRD. These investments will support the ability of SMEs benefitting from ERDF, EAFRD and EMFF funding (including those enterprises in rural and coastal communities where additionality to EAFRD and EMFF provision can be demonstrated) to diversify into new markets and to increase their productivity and competitiveness, while also supporting the development of local supply chains. Opportunities to support skills development that underpins ERDF, EAFRD and EMFF investments in renewable energy and energy efficiency, low carbon technologies and ICT and innovative and emergent technologies will also be actively sought under this Priority Axis.
20. The EU's **Lifelong Learning Programme** and specifically the Leonardo da Vinci and Grundtvig elements will potentially complement activity within the ESF programmes. The Managing Authority will work closely with the UK National Agencies for these programmes (the UK National Agency - Leonardo, Grundtvig & Transversal Programmes – Ecorys) as well as the policy department coordinating information in Wales (the Department for Education and Skills) to stimulate links and complementarities. An assessment of how any proposed operation proposal fits within this context will feature as part of the selection and assessment process. Expert advice will be sought where required.
21. The selection and assessment process and monitoring of operations within WEFO will ensure these opportunities are maximised throughout the development and implementation of operations.
22. **Youth Employment**
23. At a UK level, as with the Tackling Poverty through Sustainable Employment Priority Axis above, the UK Government programme for welfare reform will have a significant impact on the delivery of ESF supported employment actions. The ESF programmes will have to complement and add value to mainstream delivery. Mechanisms for achieving this have been described above and in the relevant Priority Axis sections of the Programme.
24. Alignment of the ESF programme with the Welsh Government Youth Employment and Progression Framework and its identification and tracking systems will be a key tool in ensuring ESF complements and adds value to interventions to support those young people most at need of support. The mapping exercise undertaken as part of this Framework will ensure that any ESF operation truly addresses gaps in provision and does not duplicate mainstream statutory provision. The Managing Authority will work with the relevant Welsh

Government departments on the appraisal and implementation of ESF operations to support this process.

25. ESF investments to make young people work ready and to promote entrepreneurship will complement ERDF, EAFRD and EMFF investments to increase business productivity and growth, matching future workforce supply with employer demand. ESF support will also equip young people to access employment opportunities within their communities, including those opportunities being created by the ERDF and, within rural and coastal communities, as a result of EAFRD and EMFF investment.
26. The EU's **Lifelong Learning Programme** and specifically the Comenius and Erasmus elements will potentially complement activity within the ESF programmes. The Managing Authority will work closely with the UK National Agencies for these programmes (the British Council for Comenius and Erasmus) as well as the policy department coordinating information in Wales (the Department for Education and Skills) to stimulate links and complementarities. An assessment of how any proposed operation fits within this context will feature as part of the operation selection and assessment process. Expert advice will be sought where required.
27. The ex-ante assessment of the use of Financial Instruments (FI) in ESF (i.e. a potential use of **European Investment Bank - EIB** - funding) considered a number of equalities and equal opportunity based actions. The evaluation concluded that in most cases there was limited potential for FI in the delivery of ESF actions and any potential approach is likely to be less effective than a grant based approach in terms of achieving the results sought. It is therefore not proposed to utilise FI in the delivery of ESF actions.

## 9. EX-ANTE CONDITIONALITIES

### 9.1 Ex-ante conditionalities

Information on the assessment of the applicability and the fulfilment of ex-ante conditionalities (optional).

**Table 24: Applicable ex-ante conditionalities and assessment of their fulfilment**

Ex-ante conditionality	Priority axes to which conditionality applies	Ex-ante conditionality fulfilled (Yes/No/Partially)
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	1 - Tackling Poverty through Sustainable Employment	Yes
T.10.1 - Early school leaving: The existence of a strategic policy framework to reduce early school leaving (ESL) within the limits of Article 165 TFEU.	3 - Youth Employment	Yes
T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU.	2 - Skills for Growth	Yes
T.11.1 - The existence of a strategic policy framework for reinforcing the Member State's administrative efficiency including public administration.	5 - Public services reform and regional working	Partially
G.1 - The existence of administrative capacity for the implementation and application of Union anti-discrimination law and policy in the field of ESI Funds.	1 - Tackling Poverty through Sustainable Employment 2 - Skills for Growth 3 - Youth Employment 4 - Technical Assistance	Yes
G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.	1 - Tackling Poverty through Sustainable Employment 2 - Skills for Growth 3 - Youth Employment 4 - Technical Assistance	Yes
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.	1 - Tackling Poverty through Sustainable Employment 2 - Skills for Growth 3 - Youth Employment 4 - Technical Assistance	Yes
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	1 - Tackling Poverty through Sustainable Employment 2 - Skills for Growth 3 - Youth Employment	Yes

Ex-ante conditionality	Priority axes to which conditionality applies	Ex-ante conditionality fulfilled (Yes/No/Partially)
	4 - Technical Assistance	
G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	1 - Tackling Poverty through Sustainable Employment 2 - Skills for Growth 3 - Youth Employment 4 - Technical Assistance	Yes
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	1 - Tackling Poverty through Sustainable Employment 2 - Skills for Growth 3 - Youth Employment 4 - Technical Assistance	Yes

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	1 - A national strategic policy framework for poverty reduction, aiming at active inclusion, is in place that:	Yes	Programme for Government: Chapter 9: Tackling Poverty <a href="http://wales.gov.uk/about/programmeforgov/poverty/?lang=en">http://wales.gov.uk/about/programmeforgov/poverty/?lang=en</a> Tackling Poverty Action Plan <a href="http://wales.gov.uk/topics/people-and-communities/tacklingpoverty/publications/taking-forward-tack-pov-plan/?lang=en">http://wales.gov.uk/topics/people-and-communities/tacklingpoverty/publications/taking-forward-tack-pov-plan/?lang=en</a>	The Programme for Government is the Welsh Government's strategic programme for government. Chapter 9 of the Programme sets out the Welsh Government's policies for tackling poverty. It is underpinned by the Tackling Poverty Action Plan, which sets out actions to build resilient communities and to prevent and reduce poverty in Wales, prioritising the needs of the poorest and protecting those most at risk of poverty and exclusion.
T.09.1 - The existence and the implementation of a national strategic policy framework	2 - provides a sufficient evidence base to develop policies for poverty reduction and monitor	Yes	Programme for Government: Chapter 9: Tackling Poverty: <a href="http://wales.gov.uk/about/programmeforgov/poverty/?lang=en">http://wales.gov.uk/about/programmeforgov/poverty/?lang=en</a> Tackling Poverty Action Plan: <a href="http://wales.gov.uk/topics/people-and-communities/tacklingpoverty/publications/taking-forward-tack-pov-plan/?lang=en">http://wales.gov.uk/topics/people-and-communities/tacklingpoverty/publications/taking-forward-tack-pov-plan/?lang=en</a>	The Programme for Government identifies the challenges facing Wales in tackling poverty, the progress being made, key actions and indicators to measure the effectiveness and impact of actions. The Welsh Government annually reviews evidence on progress and identifies where action or indicators

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	developments;			<p>need to be added or adjusted to achieve stated goals. The Tackling Poverty Action Plan outlines actions to prevent and reduce poverty in Wales. It takes into consideration key economic and policy changes and identifies targets and milestones to track progress. Its actions are based around:</p> <ul style="list-style-type: none"> <li>• preventing poverty, especially for children and families in poverty through childcare, education and support services;</li> <li>• recognising that employment is the best route out of poverty and supporting people into work and removing barriers to employment; and</li> <li>• mitigating the impact of poverty through increasing access to advice, services, leisure facilities, affordable credit and transport.</li> </ul>
T.09.1 - The existence and the implementation of a national strategic policy	3 - contains measures supporting the achievement of the national poverty and	Yes	<p>Programme for Government: Chapter 9: Tackling Poverty <a href="http://wales.gov.uk/about/programmeforgov/poverty/?lang=en">http://wales.gov.uk/about/programmeforgov/poverty/?lang=en</a> Tackling Poverty Action Plan Sections 1-3, pages 5-25 <a href="http://wales.gov.uk/topics/people-and-communities/tacklingpoverty/publications/taking-forward-tack-pov-plan/?lang=en">http://wales.gov.uk/topics/people-and-communities/tacklingpoverty/publications/taking-forward-tack-pov-plan/?lang=en</a> UK National Reform Programme 2014 page 88 <a href="http://ec.europa.eu/europe2020/making-it-happen/country-specific-">http://ec.europa.eu/europe2020/making-it-happen/country-specific-</a></p>	The Programme for Government sets out key actions and the indicators that are used to measure the effectiveness and impact of actions. The Welsh Government annually reviews evidence on progress and identifies where action or indicators need to be added or



Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	social exclusion target (as defined in the National Reform Programme), which includes the promotion of sustainable and quality employment opportunities for people at the highest risk of social exclusion, including people from marginalised communities;		<a href="#">recommendations/index_en.htm</a>	adjusted to achieve stated goals. The Tackling Poverty Action Plan sets clear targets for reducing levels of poverty and exclusion and milestones to track progress. These link into Wales level indicators cited in the UK National Reform Programme for increasing skills levels of working age adults and young people who are NEET, thereby increasing employability and underpinning the key assumption of the Plan that employment is the best route out of poverty. The Plan also sets out both remedial and preventative actions to prevent and reduce poverty, prioritising the needs of the poorest and protecting those most at risk of poverty and providing narrative explanations.
T.09.1 - The existence and the implementation of a national strategic policy framework	4 - involves relevant stakeholders in combating poverty;	Yes	Programme for Government: Chapter 9: Tackling Poverty: <a href="http://wales.gov.uk/about/programmeforgov/poverty/?lang=en">http://wales.gov.uk/about/programmeforgov/poverty/?lang=en</a> Tackling Poverty Action Plan Sections 1-4 , pages 5-26: <a href="http://wales.gov.uk/topics/people-and-communities/tacklingpoverty/publications/taking-forward-tack-pov-plan/?lang=en">http://wales.gov.uk/topics/people-and-communities/tacklingpoverty/publications/taking-forward-tack-pov-plan/?lang=en</a> Tackling Poverty External Advisory Group: <a href="http://wales.gov.uk/about/cabinet/decisions/dr2012/aprjun/soju/cs1285/?lang=en">http://wales.gov.uk/about/cabinet/decisions/dr2012/aprjun/soju/cs1285/?lang=en</a>	The Programme for Government includes explicit commitments to work in partnership with a range of stakeholders to deliver actions to help communities and individuals into work and out of poverty. The Tackling Poverty Action Plan includes actions to involve a range of stakeholders in designing and

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.				<p>delivering actions to help communities and individuals into work and out of poverty. The Tackling Poverty External Advisory Group is a Ministerial advisory panel comprising a panel of 12 experts in the field of poverty. Its purpose is to:</p> <ul style="list-style-type: none"> <li>• provide expert, evidence based advice to the Minister for Local Government and Communities and the Ministerial Programme Board on the implementation and further policy requirements necessary to deliver the Tackling Poverty Action Plan in Wales.</li> <li>• consider and comment on the progress of the Welsh Government in the attainment of its tackling poverty targets as set out in Programme for Government and the Tackling Poverty Action Plan.</li> </ul>
T.09.1 - The existence and the implementation of a national strategic	5 - depending on the identified needs, includes measures for the shift from	Yes	Tackling Poverty Action Plan Section 1, pages 6-8 and 10-11; Section 3, pages 20, 22 and 24: <a href="http://wales.gov.uk/topics/people-and-communities/tacklingpoverty/publications/taking-forward-tack-pov-plan/?lang=en">http://wales.gov.uk/topics/people-and-communities/tacklingpoverty/publications/taking-forward-tack-pov-plan/?lang=en</a>	The Welsh Government's Tackling Poverty Action Plan sets out the actions being taken forward to build resilient communities and to help prevent and reduce poverty in Wales. The Plan outlines actions to provide local systems of support for

Ex-ante conditionalit y	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market in the light of the Employment guidelines.	institutional to community based care;			families, strengthen services in the community, promote access to services for the most vulnerable, promote and support local action to tackle poverty, support and enhance community based care and build community resilience.
T.09.1 - The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded	6 - Upon request and where justified, relevant stakeholders will be provided with support for submitting project applications and for implementing and	Yes	WEFO: <a href="http://wefo.wales.gov.uk/?lang=en">http://wefo.wales.gov.uk/?lang=en</a>	The functions of the Managing Authority will address the support for submitting applications for operations through the role of the Project Development Officer and the Specialist Tackling Poverty Cross Cutting Theme Advisors. Details can be found on the WEFO website.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
from the labour market in the light of the Employment guidelines.	managing the selected projects.			
T.10.1 - Early school leaving: The existence of a strategic policy framework to reduce early school leaving (ESL) within the limits of Article 165 TFEU.	1 - A system for collecting and analysing data and information on ESL at relevant levels is in place that:	Yes	<a href="http://wales.gov.uk/about/programmeforgov/education/?lang=en">http://wales.gov.uk/about/programmeforgov/education/?lang=en</a> ; <a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/?lang=en</a> Sections 1-2, 4, 7-8; <a href="http://wales.gov.uk/topics/educationandskills/publications/guidance/building-a-brighter-future/?lang=en">http://wales.gov.uk/topics/educationandskills/publications/guidance/building-a-brighter-future/?lang=en</a> Sections 1, 6, 7; <a href="http://learning.wales.gov.uk/docs/learningwales/news/121025improvingschoolsen.pdf">http://learning.wales.gov.uk/docs/learningwales/news/121025improvingschoolsen.pdf</a> Introduction; Sections 1-3; <a href="http://wales.gov.uk/topics/childrenyoungpeople/parenting/help/familiesfirst/outcomes/?lang=en">http://wales.gov.uk/topics/childrenyoungpeople/parenting/help/familiesfirst/outcomes/?lang=en</a>	Chapter 3 of the Programme for Government sets specific indicators to measure the effectiveness of actions. The Youth Engagement and Progression Framework & Implementation Plan provide a framework of data and tracking systems based on systematic and regular data collection and analysis, with key milestones and targets. The Building a Brighter Future: The Early Years and Childcare Plan is based upon a clear evidence base, with data collection systems and indicators to monitor and measure progress and support sustained improvement. The Improving Schools Plan is based upon evidence and data analysis and sets out provisions for monitoring and performance management, supported by regular data collection through annual School Banding exercises. Families First sets out national outcomes, using key

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				population indicators to measure progress. A Families First page on LSB Insight ( <a href="http://lsb.infobasecymru.net/IAS/launch">http://lsb.infobasecymru.net/IAS/launch</a> ) hosts the Families First indicators.
T.10.1 - Early school leaving: The existence of a strategic policy framework to reduce early school leaving (ESL) within the limits of Article 165 TFEU.	2 - provides a sufficient evidence-base to develop targeted policies and monitors developments.	Yes	<a href="http://wales.gov.uk/about/programmeforgov/education/?lang=en">http://wales.gov.uk/about/programmeforgov/education/?lang=en</a> ; <a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/?lang=en</a> Sections 1-2, 4, 7-8; <a href="http://wales.gov.uk/topics/educationandskills/publications/guidance/building-a-brighter-future/?lang=en">http://wales.gov.uk/topics/educationandskills/publications/guidance/building-a-brighter-future/?lang=en</a> Sections 1, 6-7; <a href="http://learning.wales.gov.uk/docs/learningwales/news/121025improvingchoolsen.pdf">http://learning.wales.gov.uk/docs/learningwales/news/121025improvingchoolsen.pdf</a> Introduction, Sections 1-3; <a href="http://wales.gov.uk/topics/childrenyoungpeople/parenting/help/familiesfirst/outcomes/?lang=en">http://wales.gov.uk/topics/childrenyoungpeople/parenting/help/familiesfirst/outcomes/?lang=en</a>	The Youth Engagement and Progression Framework & Implementation Plan provides a framework of data and tracking systems for the early identification of young people at risk of ESL / becoming NEET, focusing on factors that increase the risk of ESL. It provides for an evaluation of the effectiveness of support put in place, utilising annual data collection. Building a Brighter Future: The Early Years and Childcare Plan is based upon a clear evidence base, with data collection systems and indicators to monitor progress. The Improving Schools Plan is based upon evidence and data analysis, supported by regular data collection through annual School Banding exercises. It sets out reforms to improve literacy and numeracy and to reduce the impact of deprivation on educational outcomes. Families First sets

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				national outcomes, using key population indicators to measure progress. A Families First page on LSB Insight ( <a href="http://lsb.infobasecymru.net/IAS/launch">http://lsb.infobasecymru.net/IAS/launch</a> ) hosts the Families First indicators.
T.10.1 - Early school leaving: The existence of a strategic policy framework to reduce early school leaving (ESL) within the limits of Article 165 TFEU.	3 - A strategic policy framework on ESL is in place that:	Yes	<a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/?lang=en</a> <a href="http://wales.gov.uk/topics/educationandskills/publications/guidance/yeeap/?lang=en">http://wales.gov.uk/topics/educationandskills/publications/guidance/yeeap/?lang=en</a> <a href="http://learning.wales.gov.uk/docs/learningwales/news/121025improvingchoolsen.pdf">http://learning.wales.gov.uk/docs/learningwales/news/121025improvingchoolsen.pdf</a> <a href="http://wales.gov.uk/topics/educationandskills/publications/guidance/building-a-brighter-future/?lang=en">http://wales.gov.uk/topics/educationandskills/publications/guidance/building-a-brighter-future/?lang=en</a> <a href="http://21stcenturyschools.org/splash?orig=/">http://21stcenturyschools.org/splash?orig=/</a> <a href="http://wales.gov.uk/topics/childrenyoungpeople/parenting/help/familiesfirst/?lang=en">http://wales.gov.uk/topics/childrenyoungpeople/parenting/help/familiesfirst/?lang=en</a>	The Programme for Government sets out the Welsh Government's education policies. The following documents form an integrated strategic framework to address the factors contributing to ESL. The Youth Engagement and Progression Framework & Implementation Plan is a framework for early identification of young people at risk of ESL / becoming NEET. The Youth Engagement and Employment Action Plan outlines approaches to preventing young people disengaging from learning. The Improving Schools Plan sets out reforms to improve literacy and numeracy and reduce the impact of deprivation on educational outcomes. Building a Brighter Future: The Early Years and Childcare Plan focuses on improving children's well-being, supporting families and high-quality

Ex-ante conditionalit y	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				early and primary education and childcare. The 21st Century Schools Programme is a capital investment programme for schools and educational facilities. Families First aims to improve outcomes for families, particularly those in poverty.
T.10.1 - Early school leaving: The existence of a strategic policy framework to reduce early school leaving (ESL) within the limits of Article 165 TFEU.	4 - is based on evidence;	Yes	<a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/?lang=en</a> <a href="http://wales.gov.uk/topics/educationandskills/publications/guidance/yeeap/?lang=en">http://wales.gov.uk/topics/educationandskills/publications/guidance/yeeap/?lang=en</a> <a href="http://wales.gov.uk/topics/educationandskills/publications/guidance/building-a-brighter-future/?lang=en">http://wales.gov.uk/topics/educationandskills/publications/guidance/building-a-brighter-future/?lang=en</a> <a href="http://learning.wales.gov.uk/docs/learningwales/news/121025improving-schoolsen.pdf">http://learning.wales.gov.uk/docs/learningwales/news/121025improving-schoolsen.pdf</a> <a href="http://21stcenturyschools.org/splash?orig=/">http://21stcenturyschools.org/splash?orig=/</a> <a href="http://wales.gov.uk/topics/childrenyoungpeople/parenting/help/familiesfirst/?lang=en">http://wales.gov.uk/topics/childrenyoungpeople/parenting/help/familiesfirst/?lang=en</a>	The Youth Engagement and Progression Framework & Implementation Plan is a framework for early identification of young people at risk of ESL comprising six components proven to be effective at increasing youth engagement & progression. It provides a framework of data and tracking systems. Building a Brighter Future: The Early Years and Childcare Plan, the Improving Schools Plan and the Youth Engagement and Employment Action Plan are based upon an analysis of evidence on the issues and barriers faced by young people. All investments made by the 21st Century Schools Programme to develop schools and educational facilities are based on Strategic Outline Programmes demonstrating that each local authority has a

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				strategy for future educational provision, including details of required changes and evidence of the need for, and nature of, the investment. Families First delivers interventions based on the needs of local communities, using population indicators to measure progress.
T.10.1 - Early school leaving: The existence of a strategic policy framework to reduce early school leaving (ESL) within the limits of Article 165 TFEU.	5 - covers relevant educational sectors including early childhood development, targets in particular vulnerable groups that are most at risk of ESL including people from marginalised communities, and addresses prevention, intervention and	Yes	<a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/?lang=en</a> <a href="http://wales.gov.uk/topics/educationandskills/publications/guidance/yeeap/?lang=en">http://wales.gov.uk/topics/educationandskills/publications/guidance/yeeap/?lang=en</a> <a href="http://wales.gov.uk/topics/educationandskills/publications/guidance/building-a-brighter-future/?lang=en">http://wales.gov.uk/topics/educationandskills/publications/guidance/building-a-brighter-future/?lang=en</a> <a href="http://learning.wales.gov.uk/docs/learningwales/news/121025improving-schoolsen.pdf">http://learning.wales.gov.uk/docs/learningwales/news/121025improving-schoolsen.pdf</a> <a href="http://21stcenturyschools.org/splash?orig=/">http://21stcenturyschools.org/splash?orig=/</a> <a href="http://wales.gov.uk/topics/childrenyoungpeople/parenting/help/familiesfirst/principles/?lang=en">http://wales.gov.uk/topics/childrenyoungpeople/parenting/help/familiesfirst/principles/?lang=en</a>	The Youth Engagement and Progression Framework & Implementation Plan is a framework for identifying and working with young people at risk of disengagement and ESL. The Youth Engagement and Employment Action Plan outlines the approach to preventing children and young people from disengaging from learning and supporting them to enter employment. The Improving Schools Plan aims to improve literacy and numeracy and reduce the impact of deprivation on educational outcomes. Building a Brighter Future: The Early Years and Childcare Plan aims to improve children's well-being and includes actions to provide high-quality, accessible early education and childcare. The 21st Century Schools Programme aims to create school



Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	compensation measures;			environments that meet the needs of the community, considering all sectors and groups of learners from 3-19 and joining up plans for primary, secondary and 14-19 learning. Families First aims to improve outcomes for families, particularly in poverty.
T.10.1 - Early school leaving: The existence of a strategic policy framework to reduce early school leaving (ESL) within the limits of Article 165 TFEU.	6 - involves all policy sectors and stakeholders that are relevant to addressing ESL.	Yes	<a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/youthengagement/?lang=en</a> <a href="http://wales.gov.uk/topics/educationandskills/publications/guidance/yeeap/?lang=en">http://wales.gov.uk/topics/educationandskills/publications/guidance/yeeap/?lang=en</a> <a href="http://wales.gov.uk/topics/educationandskills/publications/guidance/building-a-brighter-future/?lang=en">http://wales.gov.uk/topics/educationandskills/publications/guidance/building-a-brighter-future/?lang=en</a> <a href="http://learning.wales.gov.uk/docs/learningwales/news/121025improving-schoolsen.pdf">http://learning.wales.gov.uk/docs/learningwales/news/121025improving-schoolsen.pdf</a> <a href="http://21stcenturyschools.org/aboutus/?lang=en">http://21stcenturyschools.org/aboutus/?lang=en</a> <a href="http://wales.gov.uk/topics/childrenyoungpeople/parenting/help/familiesfirst/principles/?lang=en">http://wales.gov.uk/topics/childrenyoungpeople/parenting/help/familiesfirst/principles/?lang=en</a>	The Youth Engagement & Progression Framework Implementation Plan involves local authorities working closely with Careers Wales, wider Youth Services, schools and other partners. The Youth Engagement & Employment Action Plan provides for supporting initiatives from all sectors. The Improving Schools Plan sets out how the Welsh Government, in partnership with schools and local authorities, will implement the actions in the Plan. Building a Brighter Future: The Early Years & Childcare Plan covers plans from across Welsh Government policy departments and identifies the roles of partners (including local authorities and local health boards) in the improvement process. 21st Century Schools is delivered by a

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				partnership between the Welsh Government, local authorities, the Diocesan Directors of the Voluntary Aided Sector and CollegesWales. Families First aims for seamless progression for families between different interventions and programmes, with local Action Plans delivered with partners.
T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU.	1 - A national or regional strategic policy framework for lifelong learning is in place that contains measures:	Yes	<a href="http://wales.gov.uk/about/programmeforgov/growth/?lang=en">http://wales.gov.uk/about/programmeforgov/growth/?lang=en</a> <a href="http://wales.gov.uk/about/programmeforgov/education/?lang=en">http://wales.gov.uk/about/programmeforgov/education/?lang=en</a> Policy Statement on Skills <a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/?lang=en</a> Skills Implementation Plan <a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/skills-implementation-plan/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/skills-implementation-plan/?lang=en</a>	<p>The Programme for Government sets out high level skills policies. The Welsh Government's Policy Statement on Skills, focuses on employment and skills and covers four priority areas:</p> <ul style="list-style-type: none"> <li>• Skills for jobs and growth</li> <li>• Skills that respond to local needs</li> <li>• Skills that employers value</li> <li>• Skills for employment</li> </ul> <p>In July 2014, the Welsh Government published a Skills Implementation Plan, setting out key policy actions to deliver the objectives of the Policy Statement on Skills.</p>
T.10.3 - Lifelong learning (LL): The	2 - to support the developing and linking	Yes	Programme for Government and <a href="http://wales.gov.uk/about/programmeforgov/growth/?lang=en">http://wales.gov.uk/about/programmeforgov/growth/?lang=en</a> <a href="http://wales.gov.uk/about/programmeforgov/education/?lang=en">http://wales.gov.uk/about/programmeforgov/education/?lang=en</a> Policy Statement	The Programme for Government commits to work with partners and sets key actions for improving governance and encouraging

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU.	services for LL, including their implementation and skills upgrading (i.e. validation, guidance, education and training) and providing for the involvement of, and partnership with relevant stakeholders ;		on Skills <a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/?lang=en</a> pp 6-19 Skills Implementation Plan <a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/skills-implementation-plan/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/skills-implementation-plan/?lang=en</a> pages 6-14	collaborative service provision. The Policy Statement on Skills outlines actions to develop and strengthen provision through collaboration and joint delivery arrangements; streamlined planning and delivery; simplified access to support, workforce development; and joint working with partners to plan and deliver services. The Skills Implementation Plan outlines actions to: <ul style="list-style-type: none"> <li>• develop Skills Performance Measures for use in developing, delivering and evaluating policies and programmes</li> <li>• work with employers and Welsh Government departments to introduce a Flexible Skills Programme</li> <li>• introduce a Skills Gateway for accessing skills and employment support</li> <li>• work with regional partnerships</li> <li>• establish Sector Qualification Advisory Panels to ensure vocational qualifications provide the skills needed</li> <li>• work with employers and stakeholders to develop the</li> </ul>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				apprenticeships framework
T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU.	3 - for the provision of skills development for various target groups where these are identified as priorities in national or regional strategic policy frameworks (for example young people in vocational training, adults, parents returning to the labour market, low skilled and older workers, migrants and	Yes	Programme for Government and Policy Statement on Skills Implementation Plan <a href="http://wales.gov.uk/about/programmeforgov/growth/?lang=en">http://wales.gov.uk/about/programmeforgov/growth/?lang=en</a> <a href="http://wales.gov.uk/about/programmeforgov/education/?lang=en">http://wales.gov.uk/about/programmeforgov/education/?lang=en</a> <a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/?lang=en</a> pp 17-19 <a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/skills-implementation-plan/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/skills-implementation-plan/?lang=en</a> pages 7-11, 14-16	The Programme for Government outlines specific actions focused on skills provision for young people. The Policy Statement on Skills builds on this, outlining strategic actions to develop a skills system that provides the employment support necessary for individuals – and specific groups such as young people and the low skilled - to enter employment and improve their skills. The Skills Implementation Plan outlines actions to support these groups, including reducing the number of households living in poverty and improving outcomes for those living in low income households through delivering adult employability programmes and essential skills provision, introducing a Flexible Skills Programme and a Skills Priorities Programme, establishing a Skills Gateway, developing the apprenticeships framework, supporting young people who are NEET and working with employers

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	other disadvantaged groups, in particular people with disabilities);			and other stakeholders to ensure that learners and employees have the right skills and qualifications and working.
T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU.	4 - to widen access to LL including through efforts to effectively implement transparency tools (for example the European Qualifications Framework, National Qualifications Framework, European Credit system for Vocational Education and Training, European	Yes	Policy Statement on Skills <a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/?lang=en</a> pp 6-16 Skills Implementation Plan <a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/skills-implementation-plan/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/skills-implementation-plan/?lang=en</a> pages 6, 8, 10-11, 14	The Policy Statement on Skills outlines strategic actions to: <ul style="list-style-type: none"> <li>• widen access to provision (including through developing new routeways, part time provision, greater availability of localised and distance-learning delivery arrangements and continuing professional development); and</li> <li>• support the development of National Occupational Standards and to utilise credit frameworks professional standards and performance measures to increase flexibility and standards.</li> </ul> The Skills Implementation Plan outlines actions to: <ul style="list-style-type: none"> <li>• develop Skills Performance Measures;</li> <li>• introduce a Skills Gateway, simplifying arrangements for accessing skills and employment support;</li> <li>• introduce a Skills Priorities Programme to deliver vocational</li> </ul>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	Quality Assurance in Vocational Education and Training);			<p>skills provision through further education institutions;</p> <ul style="list-style-type: none"> <li>• establish Sector Qualification Advisory Panels;</li> <li>• develop the apprenticeships framework; and</li> <li>• bring forward legislation to establish “Qualifications Wales” to streamline the qualifications system in Wales.</li> </ul>
<p>T.10.3 - Lifelong learning (LL): The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU.</p>	<p>5 - to improve the labour market relevance of education and training and to adapt it to the needs of identified target groups (for example young people in vocational training, adults, parents returning to the labour</p>	<p>Yes</p>	<p>Programme for Government  <a href="http://wales.gov.uk/about/programmeforgov/growth/?lang=en">http://wales.gov.uk/about/programmeforgov/growth/?lang=en</a> Policy Statement on Skills  <a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/?lang=en</a> pp 6-19 Skills Implementation Plan  <a href="http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/skills-implementation-plan/?lang=en">http://wales.gov.uk/topics/educationandskills/skillsandtraining/policy-statement-on-skills/skills-implementation-plan/?lang=en</a> pp 6-14  <a href="https://statswales.wales.gov.uk/Catalogue">https://statswales.wales.gov.uk/Catalogue</a> Learning Wales  <a href="http://learning.wales.gov.uk/?lang=en">http://learning.wales.gov.uk/?lang=en</a></p>	<p>The Programme for Government sets out actions on LMI, skills development and effective routes into employment via skills provision. The Policy Statement on Skills outlines actions on skills provision, skills needs and gaps and employer demand. The Skills Implementation Plan outlines actions to:</p> <ul style="list-style-type: none"> <li>• work with employers and stakeholders to introduce a Flexible Skills Programme focused on regional economic needs, a Skills Priorities Programme and developing the apprenticeships framework</li> <li>• introduce a Skills Gateway for accessing skills and employment support, conducting skills</li> </ul>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	market, low-skilled and older workers, migrants and other disadvantaged groups, in particular people with disabilities).			<p>assessments for individuals and directing employers to skills provision</p> <ul style="list-style-type: none"> <li>• develop regional skills delivery based on needs identified via LMI</li> <li>• establish Sector Qualification Advisory Panels to ensure vocational qualifications provide skills for employment; and</li> <li>• providing an adult employability programme, essential skills provision and supporting young people most at risk to achieve increased skills and employability.</li> </ul>
T.11.1 - The existence of a strategic policy framework for reinforcing the Member State's administrative efficiency including public administration.	1 - A strategic policy framework for reinforcing a Member State's public authorities' administrative efficiency and their skills with the following elements are	Yes	<a href="http://gov.wales/docs/det/publications/171213-economic-action-plan-en.pdf">http://gov.wales/docs/det/publications/171213-economic-action-plan-en.pdf</a> <a href="http://gov.wales/docs/dcells/publications/180319-employability-plan-en.pdf">http://gov.wales/docs/dcells/publications/180319-employability-plan-en.pdf</a>	In delivering this priority there will be a series of complementary investment needed in people, organisations and systems. All investments are expected to align directly to the regionalisation agenda of the Welsh Government, as described in Prosperity for All, the Economic Action Plan, and the Employability Plan. These, alongside emerging proposals for local government reform, provide the policy framework for activity under this Priority.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	in place and in the process of being implemented :			
T.11.1 - The existence of a strategic policy framework for reinforcing the Member State's administrative efficiency including public administration.	2 - an analysis and strategic planning of legal, organisational and/or procedural reform actions;	Yes	<a href="http://gov.wales/docs/det/publications/171213-economic-action-plan-en.pdf">http://gov.wales/docs/det/publications/171213-economic-action-plan-en.pdf</a> <a href="https://beta.gov.wales/sites/default/files/consultations/2018-03/180320-strengthening-local-government-consultation-v1.pdf">https://beta.gov.wales/sites/default/files/consultations/2018-03/180320-strengthening-local-government-consultation-v1.pdf</a>	This priority directly aligned to the Welsh Government's regionalisation agenda and ongoing discussions on an ambitious but realistic public sector reform agenda in Wales, as well as building on existing networks for regional working.
T.11.1 - The existence of a strategic policy framework for reinforcing the Member State's administrative	3 - the development of quality management systems;	Yes	<a href="http://gov.wales/docs/det/publications/171213-economic-action-plan-en.pdf">http://gov.wales/docs/det/publications/171213-economic-action-plan-en.pdf</a>	Economic Action Plan (December 2017). This describes the need to ensure "the different players in our economy - from the emerging City Deals and local government reform structures, to the new Development Bank of Wales and Regional Skills Partnerships – work together on a clear footprint with businesses and other partners in a new, strategic



Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
e efficiency including public administration.				and more collaborative partnership to support distinctive regional strengths
T.11.1 - The existence of a strategic policy framework for reinforcing the Member State's administrative efficiency including public administration.	4 - integrated actions for simplification and rationalisation of administrative procedures;	Yes	<a href="http://gov.wales/docs/strategies/170919-prosperity-for-all-en.pdf">http://gov.wales/docs/strategies/170919-prosperity-for-all-en.pdf</a> <a href="http://gov.wales/docs/det/publications/171213-economic-action-plan-en.pdf">http://gov.wales/docs/det/publications/171213-economic-action-plan-en.pdf</a>	<p>Prosperity for All (September 2017). This indicates “It is only through closer working, on a consistent regional basis, that the resilience and responsiveness of services can be maintained in the future”. Commitments are made to respond to the diverse needs of different regions, working with partners in those regions in areas such as skills and economic development.</p> <p>Economic Action Plan (December 2017). This describes the need to ensure “the different players in our economy - from the emerging City Deals and local government reform structures, to the new Development Bank of Wales and Regional Skills Partnerships – work together on a clear footprint with businesses and other partners in a new, strategic and more collaborative partnership to support distinctive regional strengths”</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				The Welsh Government's regionalisation agenda that now features as a central part of much Welsh policy, including the recently launched Economic Action Plan (December 2017).
T.11.1 - The existence of a strategic policy framework for reinforcing the Member State's administrative efficiency including public administration.	5 - the development and implementation of human resources strategies and policies covering the main gaps identified in this field;	Yes	<a href="http://gov.wales/docs/det/publications/171213-economic-action-plan-en.pdf">http://gov.wales/docs/det/publications/171213-economic-action-plan-en.pdf</a> <a href="http://gov.wales/docs/dcells/publications/180319-employability-plan-en.pdf">http://gov.wales/docs/dcells/publications/180319-employability-plan-en.pdf</a>	<p>The Economic Action Plan sets out a regional approach to economic development, to help tailor our delivery to specific challenges and opportunities in different parts of Wales, and how Welsh Government will work with partners to capitalise on local growth opportunities</p> <p>Employability Plan (March 2018). This identified a range of relevant actions, such as the need to “prioritise the co-location of local services to simplify employability support for the individual.”. Working in tandem with the Economic Action Plan this will “encourage local and regional growth and innovation in relation to skills”.</p>
T.11.1 - The existence of a strategic policy	6 - the development of skills at all levels of the	Yes	<a href="https://beta.gov.wales/sites/default/files/consultations/2018-03/180320-strengthening-local-government-consultation-v1.pdf">https://beta.gov.wales/sites/default/files/consultations/2018-03/180320-strengthening-local-government-consultation-v1.pdf</a>	The Welsh Government Green paper on 'Strengthening Local Government outlines options for making best use of the skills and

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
framework for reinforcing the Member State's administrative efficiency including public administration.	professional hierarchy within public authorities;			capabilities of the public service administration.
T.11.1 - The existence of a strategic policy framework for reinforcing the Member State's administrative efficiency including public administration.	7 - the development of procedures and tools for monitoring and evaluation.	No	<a href="http://gov.wales/funding/eu-funds/2014-2020/wefo-guidance/monitoring/?lang=en">http://gov.wales/funding/eu-funds/2014-2020/wefo-guidance/monitoring/?lang=en</a>	The ESI Managing Authorities in Wales have an integrated and dedicated Research, Monitoring and Evaluation (RME) team. The RME team is responsible for providing guidance to operations on all aspects of monitoring and evaluation, detailed tasks and functions are outlined in the M&E plan which is published on the WEFO website. This plan will be updated to incorporate the new Priority axis.
G.1 - The existence of administrative capacity for the	1 - Arrangements in accordance with the	Yes	Welsh Specific Duties (Statutory Duties Wales 2011): <a href="http://wales.gov.uk/topics/equality/inclusivepolicy/impactassessments/eqact/?lang=en">http://wales.gov.uk/topics/equality/inclusivepolicy/impactassessments/eqact/?lang=en</a> The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 – <a href="http://www.legislation.gov.uk/wsi/2011/1064/made">http://www.legislation.gov.uk/wsi/2011/1064/made</a> The Welsh Language Act	A full Equality Impact Assessment (EIA) has been carried out on all of the ESI fund related activity in accordance with the 2010 Equality Act and the Welsh Specific Duty.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
implementation and application of Union anti-discrimination law and policy in the field of ESI Funds.	institutional and legal framework of Member States for the involvement of bodies responsible for the promotion of equal treatment of all persons throughout the preparation and implementation of programmes, including the provision of advice on equality in ESI fund related activities.		(1993): <a href="http://www.legislation.gov.uk/ukpga/1993/38/contents">http://www.legislation.gov.uk/ukpga/1993/38/contents</a> Written Statement: <a href="http://wales.gov.uk/about/cabinet/cabinetstatements/2011/equalityact/?lang=en">http://wales.gov.uk/about/cabinet/cabinetstatements/2011/equalityact/?lang=en</a>	The development of evidence for the EIA included formal consultation workshops with stakeholders. The Equality and Human Rights Commission (EHRC) is fully involved in the process and has given a 'formal opinion' on the actions the Managing Authority has taken to implement equal treatment including gender mainstreaming and anti discrimination into the programmes.
G.1 - The existence of administrative capacity for	2 - Arrangements for training of staff of	Yes	<a href="http://wales.gov.uk/topics/equality/?lang=en">http://wales.gov.uk/topics/equality/?lang=en</a> <a href="http://wefo.wales.gov.uk/">http://wefo.wales.gov.uk/</a> <a href="http://wefo.wales.gov.uk/publications/guidance/crosscutting/?lang=en">http://wefo.wales.gov.uk/publications/guidance/crosscutting/?lang=en</a>	The Welsh Government has a dedicated Equality Team who work on the integration of equality and gender mainstreaming supporting

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
the implementation and application of Union anti-discrimination law and policy in the field of ESI Funds.	the authorities involved in the management and control of the ESI Funds in the fields of Union anti-discrimination law and policy.			<p>interested stakeholders to:</p> <p>A) work within the legislative framework.  B) move beyond compliance and instigate good practice.</p> <p>The Welsh Government has monitoring procedures in place for groups with protected characteristics.</p> <p>The WEFO Cross Cutting Themes team provide guidance and training on equal opportunities, sustainable development and tackling poverty and social exclusion issues to internal staff and beneficiaries. All Welsh Government staff have mandatory Equality and Antidiscrimination training and a full training and awareness programme has been delivered to Managing/Certifying Authority staff and wider stakeholder groups delivering on the Structural Funds programmes. A similar programme is planned for the EAFRD programme in mid 2014.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.	1 - Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for gender equality throughout the preparation and implementation of programmes, including the provision of advice on gender equality in ESI Fund-related activities.	Yes	Welsh Specific Duties (Statutory Duties Wales 2011): <a href="http://wales.gov.uk/topics/equality/inclusivepolicy/impactassessments/eqact/?lang=en">http://wales.gov.uk/topics/equality/inclusivepolicy/impactassessments/eqact/?lang=en</a> The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 - <a href="http://www.legislation.gov.uk/wsi/2011/1064/made">http://www.legislation.gov.uk/wsi/2011/1064/made</a> Written Statement: <a href="http://wales.gov.uk/about/cabinet/cabinetstatements/2011/equalityact/?lang=en">http://wales.gov.uk/about/cabinet/cabinetstatements/2011/equalityact/?lang=en</a>	A full Equality Impact Assessment (EIA) has been carried out on all of the ESI fund related activity in accordance with the 2010 Equality Act and the Welsh Specific Duty.  The development of evidence for the EIA included formal consultation workshops with stakeholders. The Equality and Human Rights Commission (EHRC) is fully involved in the process and has given a ‘formal opinion’ on the actions the Managing Authority has taken to implement Equal treatment including gender mainstreaming and anti discrimination into the programmes.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.2 - The existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.	2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union gender equality law and policy as well as on gender mainstreaming.	Yes	<a href="http://wales.gov.uk/topics/equality/?lang=en">http://wales.gov.uk/topics/equality/?lang=en</a> <a href="http://wefo.wales.gov.uk/">http://wefo.wales.gov.uk/</a> <a href="http://wefo.wales.gov.uk/publications/guidance/crosscutting/?lang=en">http://wefo.wales.gov.uk/publications/guidance/crosscutting/?lang=en</a>	<p>The Welsh Government has a dedicated Equality Team who work on the integration of equality and gender mainstreaming supporting interested stakeholders to:</p> <p>A) work within the legislative framework.  B) move beyond compliance and instigate good practice.</p> <p>The Welsh Government has monitoring procedures in place for groups with protected characteristics.</p> <p>The WEFO Cross Cutting Themes team provide guidance and training on equal opportunities, sustainable development and tackling poverty and social exclusion issues to internal staff and beneficiaries. All Welsh Government staff have mandatory Equality and Antidiscrimination training and a full training and awareness programme has been delivered to Managing/Certifying Authority staff and wider stakeholder groups delivering on the Structural Funds programmes. A similar programme</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				is planned for the EAFRD programme in mid 2014.
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.	1 - Arrangements in accordance with the institutional and legal framework of Member States for the consultation and involvement of bodies in charge of protection of rights of persons with disabilities or representative organisations of persons with disabilities and other relevant	Yes	UN Convention Rights of Persons with Disabilities: <a href="http://wales.gov.uk/topics/equality/unccs/?lang=Welsh">http://wales.gov.uk/topics/equality/unccs/?lang=</a> Welsh Specific Duties (Statutory Duties Wales 2011): <a href="http://wales.gov.uk/topics/equality/inclusivepolicy/impactassessments/eqact/?lang=en">http://wales.gov.uk/topics/equality/inclusivepolicy/impactassessments/eqact/?lang=en</a> The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 - <a href="http://www.legislation.gov.uk/wsi/2011/1064/made">http://www.legislation.gov.uk/wsi/2011/1064/made</a> Written Statement: <a href="http://wales.gov.uk/about/cabinet/cabinetstatements/2011/equalityact/?lang=en">http://wales.gov.uk/about/cabinet/cabinetstatements/2011/equalityact/?lang=en</a>	<p>A full Equality Impact Assessment has been carried out on all of the ESI fund related activity in accordance with the 2010 Equality Act and the Welsh specific Duty.</p> <p>The development of evidence for the EIA included formal consultation workshops with stakeholders charged with the protection of rights for disabled people.</p> <p>The Equality and Human Rights Commission (EHRC) is fully involved in the process and has given a 'formal opinion' on the actions the Managing Authority has taken to implement Equal treatment including the application of the UN Convention on the Rights of Disabled people into the programmes.</p> <p>The Welsh Government are responsible for collating and providing contributions for</p>



Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	stakeholders throughout the preparation and implementation of programmes.			inclusion within the UK Government reports to all United Nations' (UN) Conventions and Covenants'.
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.	2 - Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of applicable Union and national disability law and policy, including accessibility and the practical application	Yes	<a href="http://wales.gov.uk/topics/equality/?lang=en">http://wales.gov.uk/topics/equality/?lang=en</a> <a href="http://wefo.wales.gov.uk/">http://wefo.wales.gov.uk/</a> <a href="http://wefo.wales.gov.uk/publications/guidance/crosscutting/?lang=en">http://wefo.wales.gov.uk/publications/guidance/crosscutting/?lang=en</a>	<p>The Welsh Government has a dedicated Equality Team who work on the integration of equality supporting interested stakeholders to:</p> <p>A) work within the legislative framework.  B) move beyond compliance and instigate good practice.</p> <p>The WEFO Cross Cutting Themes team provide guidance and training on equal opportunities, sustainable development and tackling poverty and social exclusion issues to internal staff and beneficiaries. All Welsh Government staff have mandatory Equality and Antidiscrimination training and a full training and awareness programme has been delivered to Managing/Certifying Authority staff</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
	of the UNCRPD as reflected in Union and national legislation, as appropriate.			and wider stakeholder groups delivering on the Structural Funds programmes. A similar programme is planned for the EAFRD programme in mid 2014.
G.3 - The existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC.	3 - Arrangements to ensure monitoring of the implementation of Article 9 of the UNCRPD in relation to the ESI Funds throughout the preparation and the implementation of the programmes.	Yes	UN Convention Rights of Persons with Disabilities: <a data-bbox="611 687 1234 719" href="http://wales.gov.uk/topics/equality/unccs/?lang=">http://wales.gov.uk/topics/equality/unccs/?lang=</a>	<p>The Welsh Government are responsible for collating and providing contributions for inclusion within the UK Government reports to all United Nations' (UN) Conventions and Covenants'.</p> <p>The Welsh Government has monitoring procedures in place for groups with protected characteristics and to monitor the implementation on the UNCRPD.</p> <p>A full monitoring and implementation plan has been developed which ensures Article 9 of the UNCRPD is fed into the development of the programmes and the implementation.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	1 - Arrangements for the effective application of Union public procurement rules through appropriate mechanisms.	Yes	<a href="https://www.gov.uk/transposing-eu-procurement-directives">https://www.gov.uk/transposing-eu-procurement-directives</a> <a href="https://www.gov.uk/government/collections/procurement-policy-notes">https://www.gov.uk/government/collections/procurement-policy-notes</a> <a href="http://wales.gov.uk/topics/improvingservices/bettervfm/?lang=en">http://wales.gov.uk/topics/improvingservices/bettervfm/?lang=en</a> <a href="http://prp.wales.gov.uk/toolkit/">http://prp.wales.gov.uk/toolkit/</a> <a href="http://wefo.wales.gov.uk/">http://wefo.wales.gov.uk/</a>	The EU Directives were transposed by the UK in 2006 (Public Contracts Regulations 2006) and the UK Government has committed to early transposition of the new public procurement rules agreed in January 2014. The Cabinet Office issues Procurement Policy Notes providing guidance on public procurement policy. In line with the other UK devolved administrations, a protocol has been established with the UK Government whereby the Procurement Policy programme of Value Wales (the Welsh Government's procurement unit) provides procurement policy guidance and advice to Welsh public sector organisations, as well procurement services to the Welsh Government. Support and guidance relating to procurement legislation and policy is available for public sector beneficiaries via Value Wales. WEFO is able to call on the expertise of Value Wales to help interpret legislation and understand the requirements of the EC directives. This advice extends to general procurement advice as well as public contracts.

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	2 - Arrangements which ensure transparent contract award procedures.	Yes	<a href="http://wales.gov.uk/about/cabinet/cabinetstatements/2012/welshprocurement/?lang=en">http://wales.gov.uk/about/cabinet/cabinetstatements/2012/welshprocurement/?lang=en</a> <a href="http://prp.wales.gov.uk/">http://prp.wales.gov.uk/</a> <a href="http://wales.gov.uk/topics/improvingservices/bettervfm/publications/openingdoors/?lang=en">http://wales.gov.uk/topics/improvingservices/bettervfm/publications/openingdoors/?lang=en</a> <a href="http://www.sell2wales.gov.uk">www.sell2wales.gov.uk</a>	<p>The Welsh Government's procurement policies ensure open and fair competition and non-discrimination, irrespective of the contract value. In accordance with the commitments laid out in the Welsh Government's 'Opening Doors: The Charter for SME Friendly Procurement', all requirements over £25,000 (but below the applicable OJEU threshold), as well as those which are not fully subject to the provisions of the Public Contracts Regulations 2006, should be on a website accessible across the EU. The Welsh Government published a 'Wales Procurement Policy Statement' in December 2012 setting out eight principles to maximise the impact of public procurement. The Welsh Government has launched a web-based procurement toolkit to support compliant procurement (Procurement Route Planner). The website promotes a consistent and structured approach to procurement, builds in best practice and provides specialist guidance and tools to help contracting authorities in Wales.</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	3 - Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	Yes	<a href="http://wefo.wales.gov.uk/">http://wefo.wales.gov.uk/</a> <a href="http://wefo.wales.gov.uk/publications/guidance/general/?lang=en">http://wefo.wales.gov.uk/publications/guidance/general/?lang=en</a>	A series of one day training sessions on Procurement legislation has been provided for all WEFO staff involved in project delivery. The training was delivered by procurement specialists. Further training will be undertaken as necessary for the new programmes. Guidance documents are available for WEFO staff. This guidance is authored and/or reviewed by Welsh Government's procurement unit before dissemination.
G.4 - The existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	4 - Arrangements to ensure administrative capacity for implementation and application of Union public procurement rules.	Yes	<a href="http://wales.gov.uk/topics/improvingservices/bettervfm/?lang=en">http://wales.gov.uk/topics/improvingservices/bettervfm/?lang=en</a> <a href="http://wales.gov.uk/topics/improvingservices/bettervfm/procskills/?lang=en">http://wales.gov.uk/topics/improvingservices/bettervfm/procskills/?lang=en</a> <a href="http://wefo.wales.gov.uk/">http://wefo.wales.gov.uk/</a> <a href="http://wefo.wales.gov.uk/publications/guidance/general/?lang=en">http://wefo.wales.gov.uk/publications/guidance/general/?lang=en</a>	Value Wales (Welsh Government) is the central body in Wales with the resources and expertise to support WEFO – and contracting authorities/ wider Welsh public sector – in understanding and applying procurement rules. Value Wales was successful in securing funding from the European Social Fund Convergence Programme for a 4-5 year project to improve procurement across public services in Wales. The Transforming Procurement through Home-Grown Talent project has raised procurement skills and capability across public services. Guidance documents are available for

Ex-ante conditionalit y	Criteria	Criteri a fulfilled (Yes/No)	Reference	Explanations
				beneficiaries. This guidance is authored and/or reviewed by Welsh Government's procurement unit before dissemination.
G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	1 - Arrangements for the effective application of Union State aid rules.	Yes	UK Chapter of the Partnership Agreement <a href="http://wales.gov.uk/topics/businessandconomy/stateaid/?lang=en">http://wales.gov.uk/topics/businessandconomy/stateaid/?lang=en</a> <a href="http://wefo.wales.gov.uk/">http://wefo.wales.gov.uk/</a> <a href="http://wefo.wales.gov.uk/publications/guidance/projectinspectionandaudit1/?lang=en">http://wefo.wales.gov.uk/publications/guidance/projectinspectionandaudit1/?lang=en</a>	State Aid is largely handled at UK level (see UK PA). Work to ensure adherence in Wales is as follows:  All operations are subject to State Aid analysis as part of the assessment process and where necessary advice and further scrutiny is sought from the Welsh Government's State Aid Unit (SAU) or Legal Services. This ensures that funding award decisions are compliant with State Aid rules and the necessary Commission notifications/approvals are in place.  Assessments are undertaken and guidance provided to beneficiaries on the rules surrounding cumulation. Operations running de minimis schemes are notified via the grant funding agreement of their responsibilities and their systems checked for compliance. In addition the SAU co-ordinates the annual reporting process for block

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				<p>exempted and notified schemes.</p> <p>Compliance and recovery measures relating to breach of State Aid rules are contained within funding agreements and compliance checks are undertaken by the Management Verification teams</p>
<p>G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.</p>	<p>2 - Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.</p>	<p>Yes</p>	<p><a href="http://wales.gov.uk/topics/businessandconomy/stateaid/?lang=en">http://wales.gov.uk/topics/businessandconomy/stateaid/?lang=en</a>  <a href="http://wefo.wales.gov.uk/">http://wefo.wales.gov.uk/</a></p>	<p>The SAU works closely with WEFO's training team to identify necessary training requirements for all staff. It has recently run awareness sessions about the Modernisation programme and State Aid training will be embedded into the induction process for all new staff. A training strategy has been updated so that all Managing Authority and Certifying Authority staff will receive foundation/awareness training by end October 2014. This is being supplemented by more detailed "Roles and Responsibilities" training to be rolled out to all key staff by the end of 2014 and to all staff by mid 2015.</p> <p>The SAU regularly attend UK wide network meetings and disseminate information/guidance through the</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				Welsh Government website and to WEFO accordingly. WEFO disseminates information widely to external stakeholders and beneficiaries, including through the WEFO website. Further staff guidance is made available through Welsh Government and WEFO intranet sites.
G.5 - The existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	3 - Arrangements to ensure administrative capacity for implementation and application of Union State aid rules.	Yes	UK Chapter of the Partnership Agreement <a href="http://wales.gov.uk/topics/businessandconomy/stateaid/?lang=en">http://wales.gov.uk/topics/businessandconomy/stateaid/?lang=en</a> <a href="http://wefo.wales.gov.uk/">http://wefo.wales.gov.uk/</a> <a href="http://wefo.wales.gov.uk/publications/guidance/projectinspectionandaudit1/?lang=en">http://wefo.wales.gov.uk/publications/guidance/projectinspectionandaudit1/?lang=en</a>	Managing Authority staff have a good working knowledge of the State aid rules. They are supported by the Welsh Government's SAU and lawyers who provide training and advice on specific cases as necessary. The Welsh Government believes that it has sufficient administrative capacity to carry out its State Aid responsibilities. The SAU is made up of 3 members of staff with over 15 years experience who are supported by a team of 3 lawyers.  There are a number of practical tools available to WEFO staff including a bespoke State aid assessment sheet, State aid toolkit and detailed guidance on the rules. These are generated by the SAU



Ex-ante conditionalit y	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
				and LS and are made available through the Welsh Government's intranet site. In addition guidance is made available to beneficiaries through the Welsh Government's web site.
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired	1 - Arrangements for timely collection and aggregation of statistical data with the following elements are in place: the identification of sources and mechanisms to ensure statistical validation.	Yes	<a href="http://www.wefo.wales.co.uk">http://www.wefo.wales.co.uk</a>	The ESI Managing Authorities in Wales have an integrated and dedicated Research, Monitoring and Evaluation (RME) team. The RME team is responsible for providing guidance to operations on all aspects of monitoring and evaluation, detailed tasks and functions are outlined in the M&E plan which is published on the WEFO website. All beneficiaries of Structural Funds will use the PPIMS database to transfer monitoring data on their operation at regular intervals and this will be in conjunction with the financial claims process. The RME team are responsible for verifying the statistical validity of the indicator data which is submitted by beneficiaries. All operations will be required to select indicators and set targets as a part of the appraisal process.

Ex-ante conditionalit y	Criteria	Criteri a fulfilled (Yes/No)	Reference	Explanations
results, to monitor progress towards results and to undertake impact evaluation.				A description of the mechanism in place to ensure that the necessary data is in place to ensure robust evaluation (including factual analysis) can be found in the M&E Plan.
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to	2 - Arrangements for timely collection and aggregation of statistical data with the following elements are in place: arrangements for publication and public availability of aggregated data.	Yes	<a href="http://www.wefo.wales.co.uk">http://www.wefo.wales.co.uk</a>	The ESI Managing Authorities in Wales have an integrated and dedicated Research, Monitoring and Evaluation (RME) team. The RME team is responsible for providing guidance to operations on all aspects of monitoring and evaluation, detailed tasks and functions are outlined in the M&E Pplan which is published on the WEFO website. Aggregated data on project performance will be published on the WEFO website on a regular basis and provided to the PMC to enable it to discharge its duties. Arrangements are in place to collect, store and use individual data (micro data) in conformity with article 125(2), of the CPR and the guidance for ESF Monitoring and evaluation.

Ex-ante conditionalit y	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
desired results, to monitor progress towards results and to undertake impact evaluation.				
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively	3 - An effective system of result indicators including: the selection of result indicators for each programme providing information on what motivates the selection of policy actions financed by the programme.	Yes	See Tables 4 and 5 in Section 2 of this Operational Programme <a href="http://www.wefo.wales.co.uk">http://www.wefo.wales.co.uk</a>	The RME team is responsible for providing guidance to operations on all aspects of monitoring and evaluation, detailed tasks and functions are outlined in the M&E Plan which is published on the WEFO website. The indicators will be accompanied by detailed definitions and guidance on evidence requirements and published on the WEFO website. Result indicators have been selected to closely fit the intended action of each priority and are shown in the intervention logic model annexed to the Operational Programmes. All operations will be required to select indicators and set targets as a part of the appraisal process. A description of the mechanism in place to ensure that the necessary data is in place to ensure robust evaluation (which

Ex-ante conditionalit y	Criteria	Criteri a fulfilled (Yes/No)	Reference	Explanations
contribute to desired results, to monitor progress towards results and to undertake impact evaluation.				includes counter-factual analysis) can be found in the M&E Plan. Arrangements are in place to collect, store and use individual data (micro data) in conformity with Article 125(2), of the CPR and the guidance for ESF M&E.
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most	4 - An effective system of result indicators including: the establishment of targets for these indicators.	Yes	See Tables 4 and 5 in Section 2 of this Operational Programme <a href="http://www.wefo.wales.co.uk">http://www.wefo.wales.co.uk</a>	<p>The RME team is responsible for providing guidance to operations on all aspects of monitoring and evaluation, detailed tasks and functions are outlined in the M&amp;E pPlan which is published on the WEFO website. The indicators will be accompanied by detailed definitions and guidance on evidence requirements and published on the WEFO website. Result indicators have been selected to closely fit the intended action of each priority and are shown in the intervention logic model annexed to the Operational Programmes.</p> <p>Targets were set for indicators in the OPs, with the exception of indicator ID1128. An extension on this action was given to February</p>

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.				<p>2017. This has now been completed and accepted. The indicator 1128 was retained without a baseline or target and will be used for monitoring purposes only. It was agreed that progress would be adequately measured by the two existing result indicators.</p> <p>All operations will be required to select indicators and set targets as a part of the appraisal process. A</p>
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select	5 - An effective system of result indicators including: the consistency of each indicator with the following requisites: robustness and statistical validation, clarity of normative interpretation	Yes	See Tables 4 and 5 in Section 2 of this Operational Programme <a href="http://www.wefo.wales.co.uk">http://www.wefo.wales.co.uk</a>	The RME team is responsible for providing guidance to operations on all aspects of monitoring and evaluation, detailed tasks and functions are outlined in the M&E Plan which is published on the WEFO website. The indicators will be accompanied by detailed definitions and guidance on evidence requirements and published on the WEFO website. Result indicators have been selected to closely fit the intended action of each priority and are shown in the intervention logic model annexed to the Operational Programmes. All operations will be required to select indicators and set targets as a part of the appraisal process. A description

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	, responsiveness to policy, timely collection of data.			of the mechanism in place to ensure that the necessary data is in place to ensure robust evaluation (which includes counter-factual analysis) can be found in the M&E Plan. Arrangements are in place to collect, store and use individual data (micro data) in conformity with Article 125(2), of the CPR and the guidance for ESF M&E.
G.7 - The existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to	6 - Procedures in place to ensure that all operations financed by the programme adopt an effective system of indicators.	Yes	See Tables 4 and 5 in Section 2 of this Operational Programme <a href="http://www.wefo.wales.co.uk">http://www.wefo.wales.co.uk</a>	The RME team is responsible for providing guidance to operations on all aspects of monitoring and evaluation, detailed tasks and functions are outlined in the M&E Plan which is published on the WEFO website. The indicators will be accompanied by detailed definitions and guidance on evidence requirements and published on the WEFO website. Result indicators have been selected to closely fit the intended action of each priority and are shown in the intervention logic model annexed to the Operational Programmes. All operations will be required to select indicators and set targets as a part of

Ex-ante conditionality	Criteria	Criteria fulfilled (Yes/No)	Reference	Explanations
select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.				the appraisal process. A description of the mechanism in place to ensure that the necessary data is in place to ensure robust evaluation (which includes counter-factual analysis) can be found in the M&E Plan. Arrangements are in place to collect, store and use individual data (micro data) in conformity with Article 125(2), of the CPR and the guidance for ESF M&E.

## 9.2 Description of actions to fulfil ex-ante conditionalities, responsible bodies and timetable

**Table 25: Actions to fulfil applicable general ex-ante conditionalities**

General ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible

**Table 26: Actions to fulfil applicable thematic ex-ante conditionalities**

Thematic ex-ante conditionality	Criteria not fulfilled	Actions to be taken	Deadline (date)	Bodies responsible
T.11.1 - The existence of a strategic policy framework for reinforcing the Member State's administrative efficiency including public administration.	7 - the development of procedures and tools for monitoring and evaluation.	To be defined		

## **10. REDUCTION OF ADMINISTRATIVE BURDEN FOR BENEFICIARIES**

Summary of the assessment of the administrative burden for beneficiaries and, where necessary, the actions planned accompanied by an indicative timeframe to reduce administrative burden.

1. Significant progress was made in reducing the administrative burden for beneficiaries under the 2007-13 programmes. This has involved the introduction of new working procedures around the introduction of the PPIMS IT system which led to the harmonisation of processes across structural funds and enables beneficiaries to input operation data directly via a web based portal. This has resulted in common processes, the improved exchange of documentation together with efficiency gains and quicker processes and payments to beneficiaries. The current round of programmes has also seen the establishment of the Project Development Officer model. This has involved a single officer as a primary point of contact for beneficiaries throughout the application, development and post approval stages.
2. A customer insight survey[1] was undertaken by WEFO in 2009 which sought the views of beneficiaries on administrative procedures and processes involved in applying for and managing EU operations. There was general support for efficiencies resulting from many of the web based improvements introduced for the 2017-13 funding round together with support for the concept of the Project Development Officer. Some concerns were raised over the bureaucracy involved in applying for funding (decisions could be made earlier involving less form filling) and over the accessibility and technical language in some of the guidance.
3. The Welsh Government is building upon previous developments and addressing feedback from beneficiaries for the 2014-2020 programmes by maximising integration and harmonisation opportunities wherever possible in order to assist delivery and further reduce the burden for beneficiaries.
4. This will include a streamlined application and assessment process involving a series of gateways and decision points over the eligibility of operations together with further enhancements to PPIMS. This will include a single online gateway for potential beneficiaries to access all ESI funds, which will direct potential beneficiaries to a specific Thematic Objective team and facilitate the selection of the optimal funding instrument(s) and delivery mechanism, whilst respecting the demarcation lines between funds.
5. Harmonised ESI fund national eligibility rules and common supporting guidance will be in place for all organisations in Wales receiving funds from ERDF, ESF and the EAFRD, other than where eligibility rules have been determined by fund-specific EC legislation. This will represent a significant simplification for beneficiaries in Wales and builds on the Commission's common eligibility provisions in the Common Provisions Regulation for matters such as durability, revenue generation, and simplified cost options. The harmonised eligibility rules will be agreed and published and easily accessible via the WEFO website in 2014.
6. In addition, Wales intends to encourage the take-up of simplified cost reimbursement options (lump sums, flat-rates, unit costs) by making all legislative options available to potential applicants, issuing detailed guidance, and running training workshops with representatives from key sectors to understand and address the barriers to take-up. It is expected that flat-rate costs in relation to reimbursement of indirect costs will be of particularly interest to Welsh beneficiaries.
7. The extent of the shift towards a more results-based reimbursement system (lump sums, unit costs) will also depend on the provisions of the cohesion policy



legislative package, the suitability of the EC standard rates, and the implementation guidance from the Commission. The overarching principle when considering options for simplifications will be adopting mechanisms which are best suited to the Welsh context and to maintaining the successful and compliant delivery of structural funds programmes in Wales.

8. Welsh operations will also benefit from a reduction in administration by Welsh Government implementing in full the EC simplification measures, such as shorter document retention periods, flat-rate revenue generation calculations, and protecting operations against duplication of audit activity from both the Audit Authority and European Commission in the same year.

[1]

<http://wefo.wales.gov.uk/publications/publications/monitoringevaluation/programmevaluations/customerinsightsurvey2009/?lang=en>

## 11. HORIZONTAL PRINCIPLES

### 11.1 Sustainable development

Description of specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations.

1. The Welsh Chapter of the UKPA provides an overview of the approach to promoting the horizontal principles across the ESI funds in Wales which includes the Sustainable Development Cross Cutting Theme (CCT) detailed here, and the Equal Opportunities and Equalities CCT (detailed in Section 11.2 and 11.3) and the Tackling Poverty CCT (detailed in section 5). It also outlines the main Welsh Government organising principles and objectives for sustainability which provide the basis for the implementation of the CCT within the ESF Programmes in Wales.
2. Key to the ESF programmes is the Welsh Government emphasis on social, economic and environmental well-being for people and communities; fairness and social justice; and how decisions we make now affect the lives of future as well as current generations.
3. In implementing the Sustainable Development CCT the key Sustainable Development objectives for the ESF Programme are to:
  - Promote environmental awareness and good practice in the implementation of activity;
  - Integrate sustainable development into operations undertaking awareness raising, education and training programmes;
  - Support participating employers to adopt or improve Environmental Sustainability Strategies;
  - Promote social justice and equality of opportunity; and
  - Recognise and promote health and wellbeing as one of the corner stones of a healthy, vibrant economy.
4. As part of the development of the ESF programmes in Wales a Strategic Environmental Assessment screening exercise was undertaken by external evaluators. The report concluded that any environmental effects will be insignificant in the short to medium term. Travel to training, and ultimately to work, may have implications, though these will not be significant in the context of this programme. It further concluded that the ESF programme does not determine the allocation of space, therefore no impacts are anticipated.
5. Through indirect measures, at an individual or organisational level, and through ensuring operations adopt appropriate Sustainable Development practices and principles in the delivery of ESF activity, investments will be able to support the overall Welsh Government Sustainable Development principles and objectives. Actions, where appropriate, would include:
  - Encouraging sustainable transport solutions in the delivery of activity within operations such as through linking unemployed and economically inactive individuals with work and in supporting access to skills and training;
  - Promoting resource efficiency, including energy efficiency and waste management, in the delivery and implementation of operation;
  - Promoting employment opportunities in emerging economic sectors including for example creation of green jobs, renewable energy and energy efficiency; and
  - Investing in skills to develop competencies and knowledge in for example, environmental management, energy production, energy efficiency and

waste management, and skills to support the development of the low carbon, energy and environment sector.

6. In terms of environmental sustainability, 'Sustaining a living Wales' is the Welsh Government's new approach to natural resource management in Wales and is based on the ecosystem approach, defined as; all the living things, in an environment, including their interactions, with each other and their environment.
7. Reinforcing the environmental element of the CCT will ensure that awareness raising and promoting good practice through training and guidance will be incorporated into implementation of operations. Specific to the ESF programmes, the following actions will be taken in the selection and development of operations to ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and management are integrated where appropriate:
  - CCT assessment at all stages of the development of operations;
  - Early and on-going specialist advice will be made available to beneficiaries from WEFO for the implementation of operations;
  - A programme of awareness raising and training will be provided to WEFO staff and beneficiaries on the benefits of, and best practice in, integrating the cross cutting themes;
  - Guidance will be prepared together with best practice case study examples that will provide specific information on how beneficiaries can address the CCT within their operation plans;
  - Regular monitoring of achievement of Sustainable Development commitments and outputs allowing for early intervention if necessary;
  - Update reports to PMC and other stakeholders; and
  - WEFO will encourage key equality, social inclusion and sustainable development organisations to engage and participate in an effective network of specialist support.
8. Sustainable Development result indicator targets will be set at a Priority Axis level providing an important driver to ensure that operations address the programme's CCT objectives. Targets will include, but are not limited to:
  - For operations within the Skills for Growth Priority 20% of Employers assisted will adopt or improve Environmental Sustainability Strategies.
  - 75% of operations within the Tackling Poverty through Sustainable Employment Priority and 10 % of operations within the Skills for Growth and the Youth Employment priorities will integrate sustainable development into awareness raising, education and training programmes.

## **11.2 Equal opportunities and non-discrimination**

Description of specific actions to promote equal opportunities and prevent discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the operational programme and in particular in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination and in particular the requirements for ensuring accessibility for persons with disabilities.

1. The integration of equal opportunities, gender mainstreaming and the Welsh language (which we also include in the Equal Opportunities CCT) is important not only for legal reasons, but also because overcoming inequalities between different social and demographic sections of society contributes to the overall effectiveness of the activity delivered by the programmes.
2. The Welsh Government launched its Strategic Equality Plan (2012-16) and equality objectives on 2 April 2012. These highlight how the Welsh Government

is fulfilling its legal obligations as well as its strong commitment to equality and inclusion. The Strategic Equality Plan was developed in-line with the general duties under the Public Sector Equality Duty (PSED) of the Equality Act 2010. The PSED states that public authorities must have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited under the Act;
  - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
3. An Equality Impact Assessment (EIA) has been undertaken to highlight potential impacts of the ESF programmes on people with different socio-demographic characteristics. The EIA supports the compliance of the Welsh Government compliance with the PSED by providing evidence on the potential effects of the programme on people with the nine protected characteristics:
- Age;
  - Disability;
  - Gender Reassignment;
  - Marriage and Civil Partnership;
  - Pregnancy and Maternity;
  - Race and Ethnicity;
  - Religion and Belief;
  - Sex / Gender; and
  - Sexual Orientation.
4. The report concludes that the development of the 2014-20 ESF programmes has included extensive consideration of equality and because of this it is highly unlikely that there will be any disproportionate negative impacts on any of the characteristics protected under the Equality Act and that it will support the Welsh language as required by the 2006 Government of Wales Act.
5. Key equality objectives for the ESF programme which cover a number of the selected Thematic Objectives and Investment Priorities will be to:
- Reduce the numbers of young people not in education, employment or training (NEET);
  - Reduce the over-representation of certain ethnic groups, care leavers and disabled young people among those who are NEET;
  - Provide targeted support to employers to employ disadvantaged individuals;
  - Support older workers, and those with health issues, to remain in work and continue to learn new skills;
  - Identify and test solutions to pay and employment differences in Wales to overcome the negative impact that these have, in particular on women, disabled people and people from Black and Ethnic Minority (BME) groups;
  - Create an environment which supports inclusive work places, promotes equality of opportunity for staff through improved employee engagement and supports the reconciliation of work and private life; and
  - Support access for disabled people and those from BME backgrounds to training and employment opportunities.
6. The Welsh Chapter of the UK Partnership Agreement (PA) outlines the approach within all ESI programmes to the integration of equality, an approach acknowledged in the EIA as a key way of delivering equality through the Programmes. The Equality CCT will be implemented as part of the overall

approach to the implementation of the CCT's including the Sustainable Development CCT (detailed in section 11.1) and Tackling Poverty CCT (detailed in Section 5).

#### **7. Selection and Development of Operations**

8. Specific to this Programme, the following actions will be taken in the selection and development of operations to promote equal opportunities and prevent any discrimination based on the nine protected characteristics outlined above:
  - On-going specialist advice will be made available to beneficiaries. Specialist input will be provided at an early stage to maximise take-up of the opportunities to promote gender mainstreaming and equal opportunities;
  - A programme of awareness raising and training will be provided to Welsh Government staff and beneficiaries on integrating gender mainstreaming and equal opportunities;
  - Activity level guidance will be prepared together with best practice case study examples;
  - Regular monitoring of progress, through 'forecast' data and 'actual' achievement (monitored through the quarterly return system), allowing for early intervention if necessary;
  - Update reports to PMC and other stakeholders; and
  - Welsh Government will encourage key gender mainstreaming, equality and social inclusion organisations to be involved to establish a network of specialist support.
9. Equality result indicator targets will be set at a Priority Axis level providing an important driver to ensure that operations address the programme's CCT objectives. Targets will include, but are not limited to:
  - For Operations within the Tackling Poverty through Sustainable Employment and Skills for Growth Priorities 50% of Employers assisted will adopt or improve equality and diversity strategies and monitoring systems.
10. Further examples of specific actions are included in the poverty section which further identifies groups likely to face discrimination and poverty.

### **11.3 Equality between men and women**

Description of contribution of the operational programme to the promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of the gender perspective at operational programme and operation level.

1. The Welsh Government's Gender Equality Scheme sets out its plans to promote equality of opportunity for women and men in Wales. Although the Welsh Government has no specific duty to produce a Gender Equality Scheme it wants to be recognised for providing an exemplary service to women and men in Wales by developing strategies and policies that are effective and outcome focused.
2. Key Equality Objectives for the ESF programme which cover a number of the selected Thematic Objectives and Investment Priorities will be to:
  - Overcome the negative impact that pay and employment differences have on women in Wales;
  - Create an environment which supports inclusive work places, which promote equality of opportunity for staff through improved employee engagement and for reconciliation of work and private life;
  - Challenge occupational segregation by increasing the numbers of women and men training or retraining in non-traditional areas (e.g. childcare, social care) focusing on areas where there are skills shortages;

- Challenge traditional employment roles where gender stereotypes may exist and assist young people, both males and females, to take up and retain employment in non-traditional areas or industries where specific genders are underrepresented, such as females in industries where STEM subjects are required (e.g. Engineering, Information Technology);
  - Increase the representation of women in Science, Technology, Engineering and Mathematics (STEM) courses;
  - Provide affordable, quality childcare which meets the need of a modern economy and its workforce;
  - Identify and support opportunities to promote and facilitate the use of the Welsh language; and
  - Recognise health and wellbeing as one of the corner stones of a healthy, vibrant economy.
3. As outlined in Section 11.2 operations funded through the Tackling Poverty through Sustainable Employment and Skills for Growth Priority Axes will be required to contribute to the following Result Indicator:
- Employers adopting or improving equality and diversity strategies and monitoring systems.
4. The Welsh Chapter of the UK Partnership Agreement looks to identify how, as part of the Equality CCT, overcoming inequalities between men and women and promoting gender equality will be addressed. The Equality CCT will be implemented as part of the overall approach to the implementation of the CCT's including the Sustainable Development CCT (detailed in section 11.1) and Tackling Poverty CCT (detailed in Section 5).
5. **Selection and Development of Operations**
6. Specific actions are included where relevant in each Priority Axis section. These actions reflect the ESF Programme strategy and include a specific focus on the needs of women in employment. They will help tackle the gender pay gap and support the role of women in the workplace, as well as challenging occupational segregation where it exists.
7. Specific actions within the programme for the selection and development of operations to promote and deliver the equality objectives above are identified in section 11.2.

## 12. SEPARATE ELEMENTS

### 12.1 Major projects to be implemented during programming period

**Table 27: List of major projects**

Project	Planned notification/submission date (year, quarter)	Planned start of implementation (year, quarter)	Planned completion date (year, quarter)	Priority Axes / Investment Priorities
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### 12.2 Performance framework of operational programme

**Table 28: Performance framework by fund and category of region (summary table)**

Priority axis	Fund	Category of region	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018			Final target (2023)		
					M	W	T	M	W	T
1 - Tackling Poverty through Sustainable Employment	ESF	More developed	Expenditure	€			13,000,000			64,000,000.00
1 - Tackling Poverty through Sustainable Employment	ESF	More developed	Economically inactive (aged 25 and over), not in education or training, who have complex barriers to employment (low or no skills; a work limiting health condition or disability; care or childcare responsibilities; over 54; from a jobless household)	Number			3239			12,700.00
1 - Tackling Poverty through Sustainable Employment	ESF	More developed	Long-term unemployed (aged 25 and over) who have complex barriers to employment (low or no skills; a work limiting health condition or disability; are from a BME group; or from a jobless household)	Number			969			3,800.00
2 - Skills for Growth	ESF	More developed	Expenditure	€			60,000,000			178,000,000.00
2 - Skills for Growth	ESF	More developed	Employed, including self-employed participants with qualifications up to and including a lower secondary education (ISCED 2) - Female	Number			4898			12,000.00
2 - Skills for Growth	ESF	More developed	Employed, including self-employed participants with qualifications up to and including a lower secondary education (ISCED 2) - Male	Number			5380			10,000.00
2 - Skills for Growth	ESF	More developed	Employed, including self-employed participants with lower secondary education (ISCED 2) - Female	Number			1,495			11,309.00
2 - Skills for Growth	ESF	More developed	Employed, including self-employed participants with lower secondary education (ISCED 2) - Male	Number			1,642			9,372.00
3 - Youth Employment	ESF	More developed	Expenditure	€			30,596,600			132,000,000.00
3 - Youth Employment	ESF	More developed	NEET Participants (16 - 24 years of age)	Number			5,407			21,200.00
5 - Public services reform and regional working	ESF	More developed	number of projects targeting public administrations or public services at national, regional or local level	Number			1			4.00
5 - Public services reform and regional working	ESF	More developed	Expenditure	€			0			26.00

### 12.3 Relevant partners involved in preparation of programme

#### MINISTERIAL ADVISORY GROUP ON EUROPEAN PROGRAMMES 2014-20

Partners:

- British Telecom (private sector)
- Cogitamus (private sector)
- Equality and Human Rights Commission (equalities)
- Swansea Council for Voluntary Service (third sector)
- Swansea University (higher education)
- Torfaen County Borough Council (local government)
- Plus representatives from key Welsh Government spending departments

#### EUROPEAN PROGRAMMES PARTNERSHIP FORUM (2014-20)

Partners:

- Bangor Mussel Producers Ltd (fisheries / private sector)
- Barsby Associates (Institute of Directors)
- British Telecom (private sector)
- CBI Wales (employers organisation)
- Cardiff University (higher education)
- Equality and Human Rights Commission (equalities)
- Forestry Commissioner for Wales (environment / rural)
- Grahame Guilford & Co Ltd (private sector)
- Gower College (further education)
- Job Centre Plus (employment)
- National Institute for Continuing Adult Education (education)
- National Trust ( environment/rural )
- Rhondda Cynon Taff County Borough Council (local government)
- Swansea University (higher education)
- Torfaen County Borough Council (local government)
- Wales Commissioner for Sustainable Futures (environment)
- Wales Co-operative Centre (third sector)
- Wales Council for Voluntary Action (third sector)
- Wales TUC (workers organisation)
- Welsh farmers (agricultural)
- Welsh Local Government association (local government)
- Working Links (employment)
- Plus representatives from key Welsh Government spending departments

## **POST 2013 WORKSTREAMS**

### **Operational Programmes Workstream**

Partners:

- Anglesey County Council CBI Wales (employers organisation)
- Cardiff County Council (higher education)
- Chwarae Teg (third sector)
- Countryside Council for Wales (environment/rural)
- Cynnal Cymru-Sustain Wales (environmental / sustainability)
- EEF Cymru (manufacturers' organisation)
- Higher Education Funding Council for Wales (higher education)
- Job Centre Plus (employment)
- Rhondda Cynon Taff County Borough Council (local government)
- Swansea University (higher education)
- RSPB Cymru (environment and countryside)
- Wales Co-operative Centre (third sector)
- Wales Council for Voluntary Action (third sector)



## **Delivery and Compliance Workstream**

Partners:

- Arts Council of Wales (arts)
- Bridgend County Borough Council (local government)
- Countryside Council for Wales (rural)
- Gower College (further education)
- Rhondda Cynon Taff County Borough Council (local government)
- Swansea University (higher education)
- Wales Council for Voluntary Action (third sector)

## **Monitoring and Evaluation Workstream**

Partners:

- Bridgend County Borough Council (local government)
- Countryside Council for Wales (environment/rural)
- London Economics (private sector consultancy)
- Monmouthshire County Council (local government)
- National Trust (environment/rural)
- Swansea University (higher education)
- Wales Council for Voluntary Action (third sector)
- Welsh Local Government association (local government)



## Documents

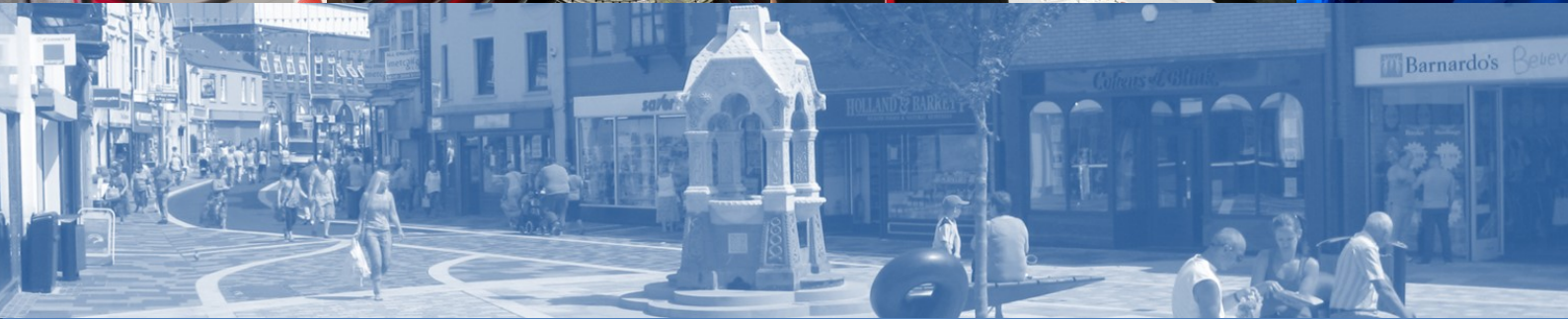
Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent By
Annex 3 - East Wales Target Setting Methodology - 2018 UPDATE	Supplementary information	29-Jun-2018		Ares(2018)3475560	Annex 3 - East Wales Target Setting Methodology - 2018 UPDATE	29-Jun-2018	nsmithts

## Submitted annexes by the Commission implementing regulation laying down the model of the programme

Document title	Document type	Programme version	Document date	Local reference	Commission reference	Files	Sent date	Sent By
Annex 1 Ex Ante Evaluation Report East Wales	Report of the ex-ante evaluation	1.2	18-Nov-2014		Ares(2014)3842831	Annex 1 Ex Ante Evaluation Report East Wales	18-Nov-2014	nwlisdav
Annex 4 - Ex-Ante Conditionalities Self Assessment Grid	Documentation on the assessment of the applicability and the fulfilment of ex-ante conditionalities	1.2	18-Nov-2014		Ares(2014)3842831	Annex 4 - Ex-Ante Conditionalities Self Assessment Grid	18-Nov-2014	nwlisdav
Programme Snapshot of data before send 2014UK05SFOP002 2.0	Snapshot of data before send	2.0	29-Jun-2018		Ares(2018)3475560	Programme Snapshot of data before send 2014UK05SFOP002 2.0 en	29-Jun-2018	nsmithts

## Latest validation results

Severity	Code	Message
Info		Programme version has been validated.
Warning	2.18.6	At least one indicator must be defined in the relevant indicator tables. Priority axis "4", specific objective "4.3", Table 12
Warning	2.19.3	The sum of the annual EU Support per category of region "Less developed" and per year "2018", must be smaller or equal than the corresponding annual EU Support specified in the Financial Perspectives: "385,696,054.00", "385,184,697.00".
Warning	2.19.3	The sum of the annual EU Support per category of region "Less developed" and per year "2019", must be smaller or equal than the corresponding annual EU Support specified in the Financial Perspectives: "392,896,382.00", "392,893,012.00".
Warning	2.19.3	The sum of the annual EU Support per category of region "Transition" and per year "2019", must be smaller or equal than the corresponding annual EU Support specified in the Financial Perspectives: "392,784,857.00", "390,115,477.00".
Warning	2.19.3	The sum of the annual EU Support per category of region "Transition" and per year "2020", must be smaller or equal than the corresponding annual EU Support specified in the Financial Perspectives: "398,291,184.00", "397,921,577.00".
Warning	2.19.3	The sum of the annual EU Support per category of region "More developed" and per year "2018", must be smaller or equal than the corresponding annual EU Support specified in the Financial Perspectives: "821,539,410.00", "814,578,755.00".
Warning	2.19.3	The sum of the annual EU Support per category of region "More developed" and per year "2019", must be smaller or equal than the corresponding annual EU Support specified in the Financial Perspectives: "830,925,889.00", "830,880,021.00".
Warning	2.65	The total ESF allocation (Main + Performance Reserve from Table 17) over all IGJ Programmes of country "UK" is not equal to the total ESF allocation in Table 1.4.1 of the Partnership Agreement with CCI "2014UK16M8PA001": "4,958,025,847.00", "4,969,651,713.00".



For more information:

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

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