

QuickGuide

European Structural Funds

Introduction

These address social and economic disparities across the EU and are therefore available to particular eligible areas¹. The programme has been organised into rounds; 1994-99, 2000-06 and presently 2007-13. They invest in projects that can help achieve sustainable growth and employment in Wales, in line with the EU's [Lisbon Strategy](#) and [Gothenburg Agenda](#), as well as the policies and strategies of the Welsh government. There is a greater strategic approach² to the delivery of funds for the current round than previously, by having fewer, more strategic projects delivering on the priorities of the Operational Programmes (OPs), ensuring less duplication.

The European Commission's Community Strategic Guidelines³ provide a framework for delivering the structural funds and identifies the three main priorities for future spending:

- Enhancing the attractiveness of Member States, regions and cities by improving accessibility, ensuring adequate quality and level of services;
- Encouraging innovation, entrepreneurship and the growth of the knowledge economy, including new information and communication technologies; and
- Creating more and better jobs by attracting more people into employment, improving adaptability of workers and enterprises, as well as increasing investment in human capital.

The European Commission's Integrated Guidelines for Growth and Jobs (2008-2010)⁴ brings together the broad economic policy guidelines and employment guidelines forming the basis for Member States' National Lisbon Reform Programmes⁵. The programmes spell out actions at a national level to achieve the Lisbon objectives for growth and jobs.

¹ An area's eligibility is dependant on the programmes associated to it – see the current programmes section.

² DTI, [UK National Strategic Reference Framework, EU Structural Funds Programmes: 2007-2013](#), October 2006 [on 5 June 2009]

³ Official Journal of the European Union, [Council decision of 6 October 2006 on Community strategic guidelines on cohesion](#), [on 4 June 2009]

⁴ Commission of the European Communities, [Integrated Guidelines for Growth and Jobs](#) (2008-2010), December 2007 [on 4 June 2009]

⁵ DTI, [Lisbon Strategy for Jobs and Growth, UK National Reform Programme](#), October 2005 [on 5 June 2009]

The current programmes

For the current programme period 2007-13, Wales qualifies for European Structural Funds for three types of programmes which are shown in table 1.

Table 1: Breakdown of operational programmes

Programmes	Coverage
Convergence	West Wales and Valleys
Regional Competitiveness and Employment	East Wales
Territorial Co-Operation	Wales as a whole

Source: [WEFO, 2007-2013 Programmes](#)

Convergence Programmes

The West Wales and the Valleys region ([15 local authorities](#)) has been awarded the highest level of support, which is the successor to the Objective 1 programme of 2000-06. The programmes comprise funding from the two separate European Structural Funds; the **European Regional Development Fund (ERDF)** and **European Social Fund (ESF)**. Separate OPs have been developed in consultation for the ERDF⁶ and ESF⁷ programmes, with the ERDF programme utilising 60% of the Convergence resources (ESF 40%).

Around £856 million of ERDF funds will help transform the region into a sustainable and competitive economy by investing in knowledge and helping new and existing businesses to grow and will also focus on regenerating Wales' most deprived communities, tackling climate change and improving transport through its [six main priorities](#). The ESF funds amounting to around £571 million will be used to tackle economic inactivity, increase skill and employment through its [five main priorities](#). Combined with match funding the Convergence programmes will drive a total investment of £3.2 billion into the area.

Regional Competitiveness and Employment

These programmes, covering the remaining [7 Local Authorities](#), (East Wales region) have been awarded £93 million in European grants for the current programming round. They are the successor to the Objective 2 and Objective 3 programmes 2000-2006 and comprise funding from the two separate Structural Funds, the ERDF and ESF. Separate OPs have been developed in consultation for the ERDF⁸ and ESF⁹ programmes. The ERDF programme will utilise 53% of the resources from the funding (ESF 47%).

Around £49 million of ERDF funds will be channelled through the Welsh government to help continue the region's economic, social and environmental transformation by helping new and existing businesses to grow and move up the value chain and will also focus on regenerating Wales' most deprived communities and tackling climate change through its [five main priorities](#). The ESF funds amounting to around £43 million will be used to tackle economic inactivity,

⁶ [WEFO, West Wales and the Valleys Convergence Operational Programme, European Regional Development Fund 2007-2013](#), August 2007, [on 2 June 2009]

⁷ [WEFO, West Wales and the Valleys Convergence Operational Programme, European Social Fund 2007-2013](#), August 2007, [on 2 June 2009]

⁸ [WEFO, East Wales Regional Competitiveness and Employment Operational Programme, European Regional Development Fund 2007-2013](#), August 2007 [June 2009]

⁹ [WEFO, East Wales Regional Competitiveness and Employment Operational Programme, European Social Fund 2007-2013](#), October 2007, [on 2 June 2009]

increase skill and employment through its [three main priorities](#). Combined with match funding from the private, public and voluntary sectors, the total investment of the programmes will be around £232 million.

Territorial Co-Operation

Wales will take part in four Territorial Co-Operation Programmes during 2007-2013 consisting of three strands; cross-border, trans-national and inter-regional co-operation.

- **[Ireland / Wales Cross-border Programme](#)** – The successor to the 2000-2006 Ireland / Wales INTERREG IIIA programme has an ERDF allocation of €52.7 million, with the maximum ERDF rate, 75% of eligible costs. The three priorities are detailed in the OP¹⁰. Approved projects can be seen [here](#).
- **[Atlantic Area Trans-national Programme](#)** – The successor to the INTERREG IIIB Atlantic Space Programme links regions on the Atlantic coast. The total ERDF budget is €104 million and the maximum intervention rate is 65%. The four priorities are detailed in the OP¹¹. Approved projects can be seen [here](#).
- **[North-West Europe Trans-national Programme](#)** – Succeeds the INTERREG IIIB North West Europe Programme. The total ERDF budget is €355 million and the maximum intervention rate is 50%. The five priorities are detailed in the OP¹². Approved projects can be seen [here](#).
- **[Inter-regional \(IVC\) Programme](#)** – Aims to support traditional networking through regional initiative projects and capitalisation projects (successor of the INTERREG IIIC Programme). The three priorities are detailed in the OP¹³. There was a change to eligibility rules which are [explained](#). Approved projects can be seen [here](#).

Together, the four territorial co-operation programmes will invest around €900 million in projects across the EU to strengthen the economic, environmental and social links between Member States, as well as encouraging cross-border neighbours to work together to develop innovative projects. Each operate bidding rounds for funding applications and as they are administered by different managing authorities, the individual procedures for accessing funds are outlined in the final section.

Details on the [progress of the 2007-2013 programmes](#) are available, including (in line with European Regulations) details of the [beneficiaries](#) supported. As of 1 June 2009 a total of 92 projects have been approved representing a total project investment of over £1.4 billion (including match funding) across Wales, with an EU grant of almost £700 million.

¹⁰ [Ireland Wales Programme 2007-2013 CCI number: 2007CB163PO062](#), 16 July 2007 [on 02 June 2009]

¹¹ [Atlantic Area Transnational Cooperation Operational Programme 2007-2013](#), 29 May 2007 [on 02 June 2009]

¹² [Transnational Territorial Cooperation INTERREG IV North West Europe. Operational Programme 2007-2013](#), 26 September 2007 [on 02 June 2009]

¹³ [Interregional Cooperation Programme INTERREG IVC 2007-2013](#), 26 July 2007 [on 03 June 2009]

Table 2: Value of programme investment in Wales as at 11 May 2009¹⁴

	<i>£millions</i>		
	Total	ERDF Programmes	ESF Programmes
EU funds	1,930	1,150	780
Total funds (inc. match funding)	3,939	2,497	1,442
EU funds committed	697	337	360
Total investment (inc. match funding)	1,452	785	666

Source: [WEFO, Progress of 2007-2013 programmes¹⁵](#)

Managing the funds in Wales

The Welsh European Funding Office ([WEFO](#)) is part of the Welsh government and manages the delivery of the EU Structural Funds programmes in Wales. WEFO are committed to ensuring that the European funds go to those projects that will provide the greatest benefit to Wales. The new all Wales Programme Monitoring Committee ([PMC](#)) is responsible for monitoring the implementation of the Convergence and Regional Competitiveness (ERDF and ESF) programmes 2007-13 in Wales.

The monitoring of approved projects plays a key role in ensuring the Structural Funds programmes are maximised for the people of Wales. In line with European Regulations, project sponsors have a duty to ensure that projects are delivered in accordance with the conditions of grant and that activity and spend is accurately reflected in payment claim forms. WEFO as the Managing and Paying Authority is responsible for undertaking 'on the spot' [verification visits](#) of all projects in Wales to minimise problems and undertake other ongoing monitoring checks to ensure compliance with European regulations, effective management, presence of a transparent audit trail and best practice is shared¹⁶.

Also the European Structural Funds Audit Team ([ESFAT](#)) of the Welsh governments Finance team, undertakes financial control visits to supported projects in Wales to ensure management and control systems for the programmes operate satisfactorily. They aim to check five per cent of eligible expenditure spread across the respective programming period by undertaking financial control visits.

The Spatial European Teams ([SETs](#)) will play a key role in the delivery of the Convergence and Regional Competitiveness and Employment programmes 2007-2013. Four regional SETs cover the [South East](#), [South West](#), [Central](#) and [North](#) Wales, to maximise the delivery of the Structural Funds in Wales. These ensure that a joined-up, strategic approach is taken towards project planning, development, delivery through the advice, support and partnership facilitation that they engage in at a local and regional level and through their interaction with Thematic Framework Co-ordinators. Details of the visions of each area are detailed in the Wales Spatial Plan¹⁷.

A [Third Sector European Team \(3-SETs\)](#) led by the Wales Council for Voluntary Action ([WCVA](#)) has also been established to provide support for third sector¹⁸ sponsors and partners seeking to

¹⁴ The programmes' budgets are given in Euros. The figures in pounds are based on estimates that vary with exchange rates

¹⁵ For information on match funding, refer to QuickGuide 12 – EU Match Funding 2007-2013

¹⁶ WEFO, [Good Practice in Structural Fund Project Management – Executive Summary](#), June 2005 [3 June 2009]

¹⁷ Welsh Assembly Government, [People, Places, Futures, The Wales Spatial Plan 2008 Update](#), July 2008 [on 5 June 2009].

¹⁸ 'Third sector organisations' have been defined by Government in its publication [The future role of the third sector in social and economic regeneration: final report July 2007 \(page 5\)](#) as: non governmental; value driven i.e. primarily driven to further social, cultural or environmental objectives rather than to make profit; reinvesting surpluses to further their objectives; and are in the place between State and private sector.

benefit from European funding. The organisations involved in the SETs are the Welsh government departments of Economy and Transport (DE&T) and Children, Education and Lifelong Learning and Skills (DCELLS), the local authorities and the WCVA.

Applying for funding

The [WEFO online](#) site aims to make applying for European funding in Wales simpler and easier, allowing sponsors to interact, share information and conduct business with WEFO. This portal enables sponsors to view, submit and monitor information relating to their project.

Applications for funding under the Convergence and Regional Competitiveness and Employment programmes 2007-2013 follow the steps of:

- Ensure the project is eligible for grant support. [Eligibility rules and selection criteria](#) are found on the WEFO website, as well as other guidance.
- Ensure the project fits with the agreed [Strategic Frameworks](#); the operational strategies that focus on the types of interventions that best deliver OP priorities.
- Collaborate planning. Looking at the [Project Idea section](#) of the website to view other project ideas as well as posting your own, helps to share and discuss proposals with other organisations, stakeholders, partners and match-funders.
- Request to [submit an Expression of Interest](#) (EoI). Once this is received by WEFO, a project development officer contacts the requester to discuss proposals and to guide them through the formal submission of the EoI. WEFO then undertake an initial assessment against the [selection and prioritisation criteria](#).

Each of the territorial co-ordination programmes operate bidding rounds for funding applications.

Further information

For further information on aspects of European Structural Funding, please contact Matthew Griffiths, Members' Research Service (Matthew.Griffiths@Wales.GSI.Gov.UK)

For further information on the topics below, double click on the links.

Assembly Government [Welsh European Funding Office \(WEFO\)](#)

European Commission [Regional Policy](#)

DTI [NSRF consultation documents](#)

Members' Research Service [Research Papers on the EU](#)

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