

**National Assembly for Wales
Enterprise and Business Committee
Inquiry into EU funding opportunities 2014-2020**

Comments from Dr Liz Mills, Independent Policy Analyst

1. General points in relation to the specific Terms of Reference for this Inquiry

Understand the main opportunities for organisations in Wales from EU funding programmes for 2014-2020 falling within the remit of the Enterprise and Business Committee.

Understanding of the opportunities presented by various EU funding programmes for organisations in Wales depends upon a proper appreciation of (1) the relationships between EU policy objectives and the funding programmes designed to address them and (2) how the roles and activities of organisations in Wales fit with the EU agenda.

- Any organisation set up to signpost potential project developers to funding streams needs to have staff with an overview of all relevant programmes and the capacity to grasp these connections.
- Competitive bidding to most programmes other than 'mainstream' Structural Funds and the RDP requires applicants to demonstrate knowledge of relevant EU policy and legislation and to explain how their projects will contribute to implementation.

It is important to consider the full range of organisations active in the various policy areas covered by the remit of the Enterprise and Business Committee and eligible to apply for funding.

With regard to the funding programmes currently under consideration by the Committee, the Territorial Cooperation programmes of Structural Funds are designed to be particularly relevant for public bodies. In the case of the interregional programme INTERREG Europe, for example, only 'public bodies and bodies governed by public law' can be direct beneficiaries.

Current support arrangements put in place by the Welsh Government seem targeted mainly at academia and businesses. More consideration needs to be given to supporting project development and engagement in European issues more generally, on the part of local authorities, town and community councils and other public bodies, not least in the fields of economic development, transport and infrastructure. Opportunities to exchange experience on approaches to public procurement, for example, are relevant.

Consider the extent to which Wales takes an effective approach to maximising the opportunities available from such funding, including the Welsh Government's EU Strategy, the extent to which EU funding is planned into the budgetary cycle of the Welsh Government and other public authorities in Wales.

As the Committee will be aware, the final inquiry conducted by the former European and External Affairs Committee of the National Assembly considered *Welsh participation in the EU research, innovation and lifelong learning programmes*. The current inquiry covers some of the same ground. It is worth noting two general areas of concern identified by that inquiry in their 2011 report, namely:

- in the Welsh Government's overall EU strategy, lack of a comprehensive approach to EU policy and funding programmes and a means of maximising engagement from across Wales; and
- shortcomings in support arrangements for participation in EU programmes.

Specific recommendations made by the Committee in these two areas - Recommendations 7 and 13 - were accepted in principle by the Welsh Government.

While some welcome steps have since been taken, for example to move towards a more joined-up approach to the management of some EU funds within the Welsh Government, these recommendations have yet to be implemented.

Identify individuals and organisations with a track record of success in participating in EU projects/programmes/initiatives, and explore how their experiences and abilities could be used effectively during 2014-2020.

In the continuing absence of arrangements for systematic reporting and monitoring of participation by Welsh organisations in the whole range of EU programmes it is very difficult to put together an accurate picture of the resources coming in to Wales and the ways in which these funds are being used. It seems that little effort is devoted to assessing the relevance and impacts of participation in these various programmes, for example in relation to policy priorities in Wales.

It follows that it is also difficult to identify organisations with a track record of success. Success needs to be measured in terms of lessons learned, improvements to policy and practice locally and, where appropriate, impacts 'on the ground' and not only in terms of total sums 'drawn down'. Proper arrangements need to be made to enable those with experience in bidding for funds and implementing projects to publicise their activities and to network with others involved in the same policy areas. At the very least there should be one website or portal covering all EU funding programmes applying to Wales and a searchable database of approved projects including contact details of partners.

Many other European regions now have one body tasked with maximising the engagement of stakeholders in all available EU funding programmes. Typically they operate with a small core staff able to work in several languages, supported by a network of 'experts' who may be consultants and/or those with experience as beneficiaries of funding and who are able to put international partnerships together. Examples from France include Nord Pas de Calais, where the Managing Authority has a framework contract with a consortium of consultants http://www.nordpasdecals.fr/jcms/c_10270/frappe-fonds-regional-d-aide-aux-porteurs-de-projets-europeens

Picardie http://www.picardie.fr/spip.php?page=aide&id_dispositif=273

and Lorraine http://eureka.lorraine.eu/jahia/Jahia/cache/offonce/fr/pid/1705?view_id=8759

2. Comments on the Territorial Cooperation (TC) programmes

2.1 Lack of engagement with the URBACT programme

In addition to the four INTERREG programmes mentioned in the Terms of Reference the URBACT and ESPON programmes are available to organisations in Wales. Comments here focus on URBACT.

The interregional URBACT programme for exchange of experience on sustainable urban development is especially relevant for local authorities but scarcely used in Wales. During the 2007-13 funding period only Cardiff City Council and Bridgend CBC participated in URBACT projects, with only Bridgend receiving funds from the programme via the project CASH. <http://urbact.eu/en/projects/low-carbon-urban-environments/cash/homepage/>

Up to now URBACT has received little attention from WEFO or the Welsh Government more generally, despite its relevance for the city regions agenda and for Structural Funds programming.

While it is clear that the inquiry is not intending to address the main EU Structural Funds programmes, Territorial Cooperation is a specific objective of Cohesion policy. The TC programmes – financed by the ERDF - are part of the Structural Funds 'architecture'. At EU level there are intended to be explicit links between the mainstream and TC programmes. In particular, lessons learned through collaborative projects are intended to inform the design of the Operational Programmes in the regions.

During the 2007-2013 funding period the European Commission established particular arrangements for projects in URBACT II and INTERREG IVC to test innovative approaches suitable for rolling out in the next generation of mainstream programmes. In URBACT, for example, it was intended that representatives of the Structural Funds Managing Authority from each partner's region would follow each approved project. Dedicated funding was available to support their participation in project meetings. It was expected that ideas from each project would inform programming. More to the point, the URBACT programme was the test bed for some specific measures to support integrated approaches to sustainable urban development, now built in to the Regulations for Structural Funds for the 2014-2020 period and required in the new programmes.

Briefing papers prepared during 2012/13 for the WLGA provide background on the European agenda for sustainable urban development and are appended (with the agreement of WLGA). <http://www.wlga.gov.uk/new-sustainable-development-and-europe>

Proposals for URBACT III (with a much increased budget) are currently under discussion and need to be set against the arrangements for an Urban Development Network and a new ERDF Urban Innovative Actions funding stream.

At present Wales does not seem well prepared to respond to this agenda and there is a risk of significant missed opportunities in the next funding period once again.

2.2 New agenda for INTERREG Europe

For the 2014-2020 funding period the interregional INTERREG Europe programme (preceded by INTERREG IIIC and IVC) is set to be more focused than previously on influencing what happens in the mainstream programmes (in the case of Wales the *West Wales & the Valleys* and *East Wales* programmes). This is likely to restrict opportunities for 'bottom-up' project development. Moreover, the proposed arrangements will require Managing Authorities to go beyond their role in funds management to engage directly with projects and extract and apply good practice lessons from them. Policy Learning Platforms will be set up. It is uncertain at the moment how the Welsh Government is preparing for the much closer integration of policy and funds management roles that seems to be intended.

2.3 Preparing for the new Territorial Cooperation programmes

In relation to Territorial Cooperation, the NAW committee's 2011 report on *Welsh participation in the EU research, innovation and lifelong learning programmes* noted in particular:

- the need for an updated strategy for Territorial Cooperation; and
- concerns about financial resources available to potential partners in collaborative projects, with specific reference at the time to the Welsh European Collaboration Fund.

Across Europe, Territorial Cooperation programmes for the period 2014-2020 are being prepared in the light of the *Territorial Agenda of the European Union 2020* (TA2020) adopted by national ministers.

Wales still has no published strategy explicitly for Territorial Cooperation to guide its involvement in the preparation of the new programmes, not helped by the absence of a

'territorial strategy' for Wales since the demise of the Wales Spatial Plan and by lack of connection to intergovernmental discussions around territorial cohesion and spatial planning led on behalf of the whole of the UK by the Department for Communities and Local Government.

Clear statements from the Welsh Government on the benefits of cooperation with partners from outside the UK would greatly assist in convincing eligible organisations to apply for funds.

With regard to possible funding for project development for Territorial Cooperation and other EU programmes requiring collaboration with partners from outside the UK, it is not yet clear whether the new fund SCoRE Cymru will be available for programmes other than Horizon 2020. Modest funding for travel to enable project developers from Wales to take part in partner search events and to meet prospective partners could be an effective way to improve take-up of the TC programmes and complement the support provided by National Contact Points where these are in place.

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