

Julie James AC / AM
Y Dirprwy Weinidog Sgiliau a Thechnoleg
Deputy Minister for Skills and Technology



Llywodraeth Cymru
Welsh Government

William Graham AM
Chair of the Enterprise and Business Committee
National Assembly Wales
Cardiff Bay
CF99 1NA

Eich cyf/Your
Ein cyf/Our ref SF/JJ/2664/15

30 September 2015

Dear William,

I write with reference to your invitation to attend the Enterprise and Business Committee, on the 21 October 2015, to give evidence on Erasmus+ and the skills element of Horizon 2020.

I attach the written evidence requested by the committee for consideration.

I look forward to providing oral evidence to the Committee in due course.

Yours faithfully

A handwritten signature in black ink that reads "Julie James". The signature is written in a cursive, flowing style.

Julie James AC / AM
Y Dirprwy Weinidog Sgiliau a Thechnoleg
Deputy Minister for Skills and Technology

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Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)

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PAPER TO THE ENTERPRISE AND BUSINESS COMMITTEE

Erasmus+ and Horizon 2020 in WALES

Introduction

1. The purpose of this paper is to set out written evidence on Erasmus+ and the Skills aspects of the Horizon 2020 Programmes in Wales for the Enterprise and Business Committee.
2. We are focussed on helping organisations improve engagement with the Programmes and this report provides an update to the Committee's inquiry in July 2014 into EU Funding opportunities.
3. The Welsh Government is committed to ensure that Wales benefits from these programmes and boosts employability skills whilst supporting the modernisation of education, training and youth work.

Background

4. The Committee's report into EU Funding in July 2014 set out a number of recommendations on the Erasmus+ programme which were mainly accepted by the Welsh Government. The information below sets out in more detail the Erasmus+ programme and developments to date.
5. Horizon 2020 is the European Union's Framework Programme for research and innovation. It stems from the combination of Europe2020 and Innovation Union programmes. It is a successor to the 7th Framework Programme, providing investment support on research and innovation. The information below also sets out the early indication of the programmes development and how they may be able to influence the skills agenda.

ERASMUS+ 2014-2020

6. Erasmus+ 2014-2020 is the EU programme for education, training, youth and sport. Erasmus+ started on 1 January 2014, it replaced and simplified previous funding programmes run by the European Commission in the area of education, training, youth and the new area of sport, including the Lifelong Learning Programme (Erasmus, Comenius, Leonardo, Grundtvig and Transversal), Youth in Action and other international programmes including Jean Monnet and Erasmus Mundus.
7. Erasmus+ aims to boost skills and employability as well as modernise education, training, and youth work across Europe. It has a budget of approximately €14.7 billion (equivalent of approximately £10.6bn on current exchange rates) across Europe and will, during the next seven years, provide opportunities for over 4 million Europeans to study, train, gain work experience and volunteer abroad. It will also support transnational partnerships between education, training and youth organisations, as well as supporting grassroots sport projects. There are 33 participating countries from across Europe
8. The Department for Business, Innovation and Skills is the National Authority (NAU), responsible for monitoring and supervision of the delivery of the programme in the UK by the National Agency (NA). The British Council in partnership with Ecorys Ltd is the NA, responsible for overall project life-cycle

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management of the decentralised part of the programme and administration of the related funds, and the promotion of centralised actions, in the UK.

9. The partnership will provide continuous support to the UK Government in the day-to-day management, administration and monitoring of the programme. They also arrange half yearly country advisory groups for Erasmus+. A key purpose of these groups is to promote the programme to a broad audience.
10. Funded by the European Commission, informal indicative allocations suggest that Erasmus+ is worth an estimated £696 million (€940 million) to the UK. The annual budget (and the UK's share of that budget) will increase year on year until 2020.
11. In 2014 the UK was granted an estimated €112.7m from the Erasmus+ budget; € 4.4m from the centralised actions managed by the Commission and €108.3m from the UK run decentralised budget. Provisional results show that 5.85% of the total EU centralised budget was allocated to 22 UK projects, while the National Agency was able to allocate 96% of the total €115m UK decentralised budget to 975 projects
12. The three Key Actions of the programme focus on learning mobility, cooperation for innovation and good practices, and support for policy reform. The sports element of the programme supports collaborative partnerships and not-for-profit sports events, including the European Week of Sport. The Programme brings together sub-programmes from the previous EU framework (with increased funding) in the following areas: higher education (Erasmus), joint masters degrees and partnerships with institutions outside of Europe (Erasmus Mundus), schools (Comenius), adult education (Grundtvig), vocational education and training (Leonardo), youth, sports, and teaching and research in European Union studies (Jean Monnet).
13. Activities supported through the Erasmus+ programme are supported under several "Actions". Each of these "Actions" incorporate centralised actions that are managed at an European level by the Education, Audio - visual, Culture and Executive Agency (EACEA) and decentralised actions that are managed by National Agencies in each participating country. These are:
 - Key Action 1: Mobility of individuals.
 - Mobility of learners and staff (decentralised action).
 - Erasmus Mundus Joint Master Degrees (centralised action).
 - Erasmus+ Master Degree Loans (centralised action).
 - Key Action 2: Cooperation for innovation and the exchange of good practice.
 - Strategic partnerships (decentralised action).
 - Knowledge alliances (centralised action).
 - Sector skills alliances (centralised action).
 - Capacity building (centralised action).
 - IT support platforms (centralised action).

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- Key Action 3: Support for policy reform.
Structured dialogue meetings between young people and decision-makers in the field of youth (decentralised action).
Jean Monnet activities (centralised actions).
Sport.
Collaborative partnerships (centralised action).
Not-for-profit European sport events (centralised action)
14. The Erasmus+ programme is supported by all EU member states, including the UK. Erasmus+ contributes towards a strong, innovative economy. It supports education exports, strengthens links in education and research, and drives inward investment in educational, business and non-governmental organisations, which provide development opportunities for individuals. Erasmus+ provides essential funding to realise the March 2015 Paris Declaration on promoting citizenship and the common values of freedom, tolerance and non-discrimination through education. Without Erasmus+, overseas work and study opportunities, innovation and cooperation and policy reform in education within the EU would be significantly less.
15. UK wide research suggests that stakeholders see Erasmus+ as a sensible area for EU funding and a legitimate area of added value at European level. The funding is viewed as additional rather than displacing funding that would be provided nationally. Although stakeholders say that the administration of the programme is sometimes overly bureaucratic, they believe this is slowly improving and they do not see any value in departing from the current model of funding and administration.
16. Erasmus+ was established in EU Regulation 1288/2013. The Treaty of the Functioning of the European Union, article 165, states that the Union has a supporting competency in the fields of education, vocational training, youth and sport. It will increase opportunities for international study, teaching and volunteering in Europe and beyond.
17. During 2014 there were low number of applications from Wales and a relatively low success rate of Welsh applications. Although the latest statistical information¹ shows that the number of applications has increased in some areas.
18. Whilst the number of project applications from Wales for Erasmus+ was disappointing in 2015 at 66 or 4.1% of all UK applications against our population share of 4.8%, the percentage of successful applications was the highest of the home nations at 60.6%.
19. There is considerable variation within fields with applications from adult learning being the highest at 10.3% of all applications to schools at the lowest with 1.9%.

¹ <https://www.erasmusplus.org.uk/statistics-0>

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20. The first call of applications saw only 36 Wales based organisations being project funded which saw a value of €5,134,269 representing 4.7% of total grants awarded, although slight improvements have been made.

21. In terms of the value of the projects awarded we have fared better at nearly some €6.5m or 5.8% of the total funding; compared to a 4.8% share of the UK population. This range of funding share varied from a high of 9.7% in Youth to a low of 1.3% in adult education. This would suggest that whilst numbers are lower in some fields, the quality and value of the successful applications from Wales in the main is high.

22. Some examples of successful projects in 2015:-

- Cardiff City Council – Inspiring Outdoor Learning – A Vision for Schools in South Wales - €97,200
- Cardiff Metropolitan University – Partnership with Brazil, China, Egypt, India, Indonesia, Lebanon & Morocco - €252,240
- Swansea University in partnership with China, New Zealand & USA - €176,120
- Coleg Cambria – Mobility and Cultural Awareness for VET Learners - €322,810
- Colleges Wales – Pan Wales FE Staff & Vocational Learner Mobility (2 projects) - €239,949
- Welsh Football Trust (FAW) – Using Mobility to enhance Apprentice Success in Wales - €150,823

23. The highest number of successful applications was received from HE (13) with Adult (3) having the lowest successful applications. However the number and quality of applications for Welsh based organisation will need to continue to improve.

24. The British Council, Ecorys and the Welsh Government are arranging a series of events around Wales in the autumn to promote the opportunities available through Erasmus+ in advance of the next call for applications in 2016. This will range from conferences, briefing events and webinars to support applicants and raise awareness.

25. The British Council/Ecorys will also increase its marketing and support activities in Wales and will be focusing on Wales for the next round of calls due later this year.

26. Although not directly linked to Erasmus+ the Welsh Government is also working with Universities in Wales to develop a new programme entitled “Global Wales”. The programme aims to deliver a consistent message about the quality and diversity of the Welsh offer; support international activities; grow the sectors contribution to the Welsh economy through attracting inward investment and tourism; and facilitate business partnerships with key Welsh business sectors to further develop international links. The launch of Global Wales will take place on 11 November 2015.

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Horizon 2020

27. Horizon 2020 is the European Union's Framework Programme for research and innovation. It stems from the combination of Europe2020 and Innovation Union and is a successor to the 7th Framework Programme, providing investment support on research and innovation.
28. Europe2020 is the EU's growth strategy for the coming decade based on the principles of agility, sustainability and inclusivity set within the context of employment, innovation, education, social inclusion and climate/energy.
29. Innovation Union is another strategic strand aimed at creating an innovation-friendly environment to facilitate the turning of great ideas into products and services bringing economy growth and jobs.
30. It is still early in the programme period to confirm statistical trends, but it is clear that Horizon 2020, as expected, is more competitive than its predecessor Framework Programme 7 (FP7). This reflects the fact that many areas of the programme are heavily oversubscribed, including new initiatives such as the SME Instrument.
31. Considering the level of competition, the performance of Welsh organisations has been encouraging in many areas. The latest available data (from 17 July 2015²) shows that 44 Welsh participants were selected for funding, involving EU funds of €17.6 million. This means that after the first year's calls, Welsh organisations have accessed 12% of the total amount achieved in the 7 years of FP7.
32. The success rate for Welsh applications is currently just under 14%, which is below the equivalent EU average of 16%. The emerging pattern of Welsh participation appears to be similar to FP7.
33. The challenge of such a competitive programme can be offset by the efforts of all stakeholders to build on lessons learned from the first year of Horizon 2020. There is a notable increase in enthusiasm among Welsh stakeholders to work together in order to access Horizon 2020, providing a promising environment for the Welsh Government's measures to facilitate more successful applications.
34. CM International's Horizon 2020 Scoping Study³ examined how best to support Welsh organisations to access Horizon 2020. The Study endorsed the approach that the Welsh Government's Horizon 2020 Unit has taken in working closely with key stakeholders in Wales, the UK and Europe to co-ordinate and facilitate actions that will maximise the Horizon 2020 opportunities for Welsh organisations.

² <https://ec.europa.eu/programmes/horizon2020/en/horizon-2020-statistics>

³ Horizon 2020 Scoping Study, CM International, May 2014

(<http://wefo.wales.gov.uk/publications/publications/monitoringevaluation/programmevaluations/horizon2020scopingstudy/>)

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35. The Study's recommendations are being taken forward by the Unit under five key objectives:

- Build a 'stairway to excellence' (using European Structural & Investment Funds to build capacity for accessing Horizon 2020);
- Increase the engagement and success of businesses (targetted one-to-one support for businesses);
- Develop a Horizon 2020 culture and community in Wales (events and communication activity, including an annual Horizon 2020 event);
- Maximise the impact of existing and emerging support (best practice network and other engagement, including in Brussels); and
- Support and develop our experts and evaluators (establishing a community of practice for Welsh Horizon 2020 experts and evaluators).

36. The Horizon 2020 Unit continues to work closely with stakeholders including Welsh Government Departments, the higher education sector in Wales, Innovate UK and the Enterprise Europe Network, to co-ordinate and target support for Welsh organisations and share best practice. There is also a strong focus on promoting the expertise of Wales in Brussels, both through co-ordinating events and by building and encouraging links with the right networks.