

Quick guide

European Structural Funds

September 2010

1: What are the European Structural Funds?

The Structural Funds (and the Cohesion Fund) ¹ are the financial instruments of European Union regional policy, which is intended to narrow regional development disparities. ²

There are two Structural Funds:

1. **European Regional Development Fund:** provides support for the development of infrastructure and productive job-creating investment; and
2. **European Social Fund:** seeks to integrate the unemployed and disadvantaged into employment, mainly by supporting training activities.

Structural funding throughout the European Union is organised into 'programming rounds', with the current round operating between 2007 and 2013. ³ Structural funds are currently being deployed in Wales through three objectives:

1. **Convergence:** aims to accelerate the development of the least developed European Union member states and regions by improving growth and employment conditions. To fully qualify for this funding, Member States or regions must have a per capita gross domestic product (GDP) figure of 75 per cent or less of the European Union average; ⁴
2. **Regional Competitiveness and Employment:** aims to promote innovation, entrepreneurship, environmental protection and labour market development in regions not covered by Convergence funding; and
3. **European Territorial Co-operation:** aims to strengthen co-operation between designated regions across urban, rural and coastal themes.

¹ The Cohesion Fund is intended for member states whose per capita GDP is below 90 per cent of the Community average so is not applicable in the UK.

² Europa: [Structural Funds and Cohesion Fund](#) [accessed on 5 July 2010]

³ Information on all current programmes is available from the [Europa](#) website. [accessed on 5 July 2010]

⁴ European Commission: [Regional policy key objectives](#) [accessed on 5 July 2010]

2: What structural funds are available in Wales?

Between 2007 and 2013, Wales qualifies for all three types of structural fund programmes:

1. **Convergence:** The West Wales and Valleys region qualifies for this funding, which is the highest level of support available from the European Union. The region comprises fifteen local authorities. The programme is supported by the European Regional Development Fund (some £1 billion) and the European Social Fund (some £690 million).⁵ The types of activities that can be funded are outlined in two operational programmes. These cover the six main priorities supported by the European Regional Development Fund⁶ and the five supported by the European Social Fund;⁷
2. **Regional Competitiveness and Employment:** The remaining seven local authorities form the East Wales region, all of which qualifies for support. Two operational programmes are in place covering the five main priorities supported by the European Regional Development Fund⁸ (some £60 million) and the three supported by the European Social Fund⁹ (some £50 million); and
3. **European Territorial Co-operation:** parts of Wales are eligible for four programmes:
 - 3.1. Ireland/ Wales Cross Border: three priorities;¹⁰
 - 3.2. Atlantic Area Transnational: four priorities;¹¹
 - 3.3. North-West Europe Transnational: five priorities;¹² and
 - 3.4. Inter-regional (Interreg IVC): three priorities.¹³

Some €900 million will be spent on projects throughout the European Union.

According to the Welsh Government:¹⁴

The programmes in Wales, delivered through the Welsh European Funding Office, are focused on creating sustainable jobs and growth in line with European Union's Lisbon and Gothenburg agendas, and the policies and strategies of the Assembly Government.

There is a greater strategic approach to the delivery of the funds for this programming round, with fewer, more strategic projects delivering on the priorities of the Operational Programmes. This approach will help ensure less duplication of activities and maximisation of the available resources to benefit the people, businesses, communities and environment of Wales.

⁵ WEFO: [Convergence Programmes](#) [accessed on 5 July 2010]

⁶ WEFO: [ESF Convergence Operational Programme](#) [accessed on 5 July 2010]

⁷ WEFO: [ERDF Convergence Operational Programme](#) [accessed on 5 July 2010]

⁸ WEFO: [ESF Regional Competitiveness and Employment Operational Programme](#) [accessed on 5 July 2010]

⁹ WEFO: [ERDF Regional Competitiveness and Employment Operational Programme](#) [accessed on 5 July 2010]

¹⁰ WEFO: [Ireland/Wales Cross Border Operational Programme](#): page 44 [accessed on 5 July 2010]

¹¹ WEFO: [Atlantic Area Operational Programme](#): page 34 [accessed on 5 July 2010]

¹² WEFO: [North-West Europe Operational Programme](#): page 58 [accessed on 5 July 2010]

¹³ WEFO: [Inter-regional Operational Programme](#): page 44 [accessed on 5 July 2010]

¹⁴ WEFO: [European Structural Funds Programmes 2007 – 2013 in Wales](#) [accessed on 5 July 2010]

4: How are the structural funds in Wales managed?

Organisations managing the Convergence and Regional Competitiveness and Employment programmes include:

- **Welsh European Funding Office:** the part of the Welsh Government responsible for programme management. It assesses funding applications, disburses funding to successful applicants and carries out a range of monitoring activities. These include verification and inspection visits to ensure that funds are being used as intended and to share best practice.¹⁵ In addition, financial control inspections are carried out on a sample of projects to verify the functioning of management and control systems;¹⁶
- **All Wales Programme Monitoring Committee:** responsible for monitoring programme progress. It is chaired by a representative of the Welsh Government and comprises fourteen members nominated by partners and statutory bodies with a further ten appointed through the public appointments process. It meets up to four times a year, with papers available on the Welsh European Funding Office website.¹⁷

The European Territorial Co-operation programmes are run by a number of managing authorities based throughout the European Union.

5: What projects have received funding?

As of 1st July 2010, the 2007 – 2013 structural funds in Wales have part-funded 169 projects. Activities supported by European funds require a proportion of their total costs to be met by other sources. This is known as match funding, and the proportion required varies widely.¹⁸

Table 1: Value of programme investment as of 15 July 2010 (£)

	ERDF	ESF	TOTAL
European Union Funds	1,112.3	753.3	1,865.6
Total funds (inc. match funding)	1,982.3	1,221.9	3,204.2
European Union funds committed	726.9	609.5	1,336.4
Total investment (inc. match funding)	1,590.3	1,134.1	2,724.3
Expenditure claimed and paid by the Welsh European Funding Office	136.5	113.6	250.0

Source: [WEFO](#)

A list of projects funded by the Convergence and Regional Competitiveness and Employment programmes is available from the Welsh European Funding Office [website](#).

¹⁵ WEFO: [Project Inspection and verification visits](#) [accessed on 5 July 2010]

¹⁶ WEFO: [Instructions for reporting accountants](#) [accessed on 5 July 2010]

¹⁷ WEFO: [All Wales programme monitoring committee](#) [accessed on 5 July 2010]

¹⁸ See Members' Research Service: [EU Match Funding Quick guide](#)

6: How do organisations apply for funding?

The Welsh European Funding Office (WEFO) operates an open call approach, with eligible applicants able to submit proposals at any time. The application process can be summarised as follows:

1. **Initial exploration:** Potential applicants should ensure that their project:
 - 1.1. Is eligible for grant support. WEFO **guidance** on eligibility rules, selection criteria and other areas should be consulted;
 - 1.2. Fits within the **strategic frameworks**, which further clarify the types of activities that are most likely to deliver the Operational Programmes; and
 - 1.3. Has benefitted from collaborative planning. The WEFO website has a section where **project ideas** can be posted and viewed.

If potential applicants can demonstrate the **conditions** have been met, then they may request permission from WEFO to submit an **expression of interest**. The request will then be considered.

2. **Expression of interest:** If permission to submit is granted, the applicant will be contacted by WEFO and guided through the process. Once submitted, the expression of interest will be assessed; and
3. **Detailed proposal:** If the assessment of the expression of interest is positive, the applicant is then invited to submit a detailed proposal to be assessed fully.

Advice and support is available from:

- The Welsh European Funding Office helpline: **0845 010 3355** (Email: **enquiries-wefo@wales.gsi.gov.uk**); and
- Spatial European Teams: These exist for each of the **North**, **Mid**, **South West** and **South East** Wales regions. These provide free support, information and advice to anyone in Wales seeking to benefit from the European Structural Funds. A **Third – Sector European Team** is also in place.

7: Further information

For further information on European Structural Funds, please contact **Leon Goberman** (**Leon.Goberman@wales.gov.uk**), Members' Research Service.

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MRS 10/1705 Leon Goberman

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