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Llywodraeth Cymru
Welsh Government

William Graham AM
Enterprise & Business Committee
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Dear William,

Enterprise and Business Committee – 23 September 2015

During my attendance at the Enterprise and Business Committee on the 23 September, I offered to write to the Committee with further information relating to the European Fund for Strategic Investment (EFSI) and EU Directly Managed funds.

In terms of the EFSI, please find attached at Annex A the current pipeline of Welsh schemes with the potential to access financing through the EFSI, or indeed, other European Investment Bank financing instruments. As I highlighted to the Committee, the Welsh Government is continuing to review and refine the list, working closely with our partners across the public and private sector in Wales.

With regards to the EU Directly Managed funds, a network of officials across Welsh Government has been established to support the EU Funding Ambassadors and to identify, monitor and promote opportunities under the various programmes. Further information on Welsh successes to date is outlined at Annex B.

I would like to take this opportunity to thank you and the Committee for your inquiries relating to Wales' involvement in the European Programmes, which have proved to be informative and comprehensive.

Kindest regards
Jane

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Annex A

Sector	Scheme	Description	Project Sponsor / Implementing Agency	Project Size (£m)
Housing	Housing Finance Grant II	To provide an additional 2,000 affordable homes, building on the success of the initial Housing Finance Grant, which has been in operation since 2014-15. The second phase, like the first, will include an annual funding stream provided by Welsh Government over 30 years to support Registered Social Landlords (RSLs) and Local Authorities to borrow private finance to invest in affordable homes.	Welsh Government	£250m
Health	Velindre Cancer Centre	As part of a wider programme looking at the transformation of cancer services in South-East Wales, the Velindre Cancer Centre will be replaced with a new build hospital, financed through the NPD model	Velindre NHS Trust	Approx. £210m (2013-14 prices).
Transport	A465 Heads of the Valleys Dualling (Abergavenny to Hirwaun) – Sections 5 & 6 (Dowlais to Hirwaun)	Dualling of sections 5 and 6 of the A465, to be financed through the NPD model.	Welsh Government	Approx. £300m (2013-14 prices).
Education	21st Century Schools Band B	To support delivery of the 21 st Century Schools Programme for Band B projects, financed through the NPD model.	Welsh Government	£500m

Resources and Environment	Coastal Risk Management Programme	The Programme was announced by the Welsh Government on 9 December 2014. It responds to the flooding and erosion risks our coastal communities face as a result of climate change.	Welsh Government, LAs, Natural Resources Wales	£150m
Transport	South Wales Metro	The Metro is intended to be a catalyst for transforming the economic and social prospects of South East Wales and the country as a whole. At this stage there are many options for modes of transport including; light rail, heavy rail, bus rapid transit and trams.	Welsh Government	£500m-£600m
Resources and Environment	Green Growth	Green Growth Wales will promote investment which reduces carbon emissions, covers its own costs, creates public sector savings / income over the longer term, and, creates economic benefits including employment. Green Growth has the potential to support and promote infrastructure projects encompassing renewable generation, resource efficiency, and energy from waste.	Welsh Government, Local Authorities in Wales, Natural Resources Wales, Higher Education, Further Education and Health	TBC
Further Education	Aggregated Borrowing Platform for Further Education	Work is underway to explore options for the development of an aggregated borrowing platform to support increased investment in the FE estate.	FE Institutions	TBC
Energy and Environment	Tidal Lagoon Power - Swansea Bay	Construct a tidal lagoon in Swansea Bay between the ports of Swansea and Neath. It will have capacity to	Tidal Lagoon Power	TBC

		produce up to 240MW (possibly up to 320MW) of renewable energy utilising the tidal range. Significant regeneration/amenity elements because of the potential complementary tourism and sporting opportunities.		
Energy and Environment	Energy Island - Anglesey	To deliver a series of projects to harness a rich mix of energy streams, including nuclear, wind, tidal, biomass and solar; together with associated servicing projects provides major potential to achieve economic, social and environmental gains for Anglesey and the wider North Wales region.	TBC	TBC
Health	Primary and Community Care	Proposal to support investment in primary health care centres, through an innovative finance model.	Welsh Government	TBC
Health	A Regional Collaboration for Health (ARCH)	Transformation of health services in South West Wales, bringing together the health and life science sectors. This scheme involves collaboration between Abertawe Bro Morgannwg and Hywel Dda University Health Boards and Swansea University.	Abertawe Bro Morgannwg University Health Board Hywel Dda University Health Board and Swansea University	TBC
HE	SA1 Innovation Quarter	This project will deliver an internationally significant waterfront commercial regeneration development, closely aligned to the new University of Wales Trinity Saint David Community Campus,	University of Wales Trinity St David	£200m

		which will open in 2018, and sponsored by the University.		
Industry	Compound Semiconductor Industry Foundry	Production facility to enable pilot line, commercial R&D and production of compound semiconductors, as a continuation of the CS Institute and CS Foundation being developed in Cardiff, with a view to enabling and growing Europe's fifth semiconductor cluster and the World's first Compound Semiconductor cluster.	IQE plc	£200m

HORIZON 2020

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 FP7. This reflects the fact that many areas of the programme are heavily oversubscribed, including new initiatives such as the SME Instrument.

Considering the level of competition, the performance of Welsh organisations has been encouraging in many areas. The latest available data (from 17 July 2015) shows that 44 Welsh participants were selected for funding, involving EU funds of €17.6 million.

In addition to the above, €9.4 million has recently been awarded to the Welsh Government's SIRCIW ('Strengthening International Research Capacity in Wales') COFUND bid. The Horizon 2020 Unit is also aware of a number of other successes that are yet to be recorded in the formal statistics.

ERASMUS+

40 Welsh projects been awarded funding of nearly some €6.5m in 2015 (5.8% of the total against our population share of 4.8%), which is an Improvement on 2014 (€5.1m).

Wales' percentage of successful applications in 2015 was the highest of the home nations at 60.6%. Applications from adult learning were the highest at 10.3% of all applications, with schools the lowest with 1.9%.

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.

Some examples of successful Erasmus 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

CREATIVE EUROPE

Culture

Aberystwyth University's Literary Europe Live project was recently successful in attracting €455,000 of funding, as one of only three applications selected under the Europe wide Platforms scheme. Aberystwyth are the lead partner on the project encompassing 15 partners.

Welsh National Opera are a partner in the successful Opera Europe project, which has received grant funding of €86,000.

Media

During 2015 there has been three unsuccessful applications (2 Video Games Development and 1 Slate Development funding), currently awaiting news on a TV Programming application and four Single Project Development applications.

CONNECTING EUROPE

Network rail has been successful in its bid for funding towards electrification of the South Wales main line. Wales will also benefit from a successful UK bid for an Integrated Transport Systems project for roads.

Bids for 4 road schemes (M4, Eastern Bay Link, A40 and A55) were unsuccessful in the first call. This was largely expected given that the Commission places less importance to road infrastructure.

COSME

Provides valuable support for Enterprise Europe Network in Wales which is undertaking valuable work in assisting Welsh businesses identify European and domestic funding opportunities.