



## Effectiveness of European Structural Funds in Wales

### Chwarae Teg Consultation Response

January 2012

#### *Introduction*

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**Chwarae Teg** promotes, supports and develops the role of women in the Welsh economy. Established in 1992, we do this by raising awareness of the positive contribution women make to economy. We aim to sensitise Welsh Government strategy and policy to the barriers confronting women who wish to fully participate in the labour market. We are a small, charitable organisation with a long track record of delivering European funded projects with excellent results.

Our current project, **AGILE NATION: New ways of working in the 21<sup>st</sup> century**<sup>1</sup> is a good example of a project that has harnessed the European Social Fund to promote gender equality in employment. The Agile Nation project provides bespoke,

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<sup>1</sup> Funded by European Social Fund and Welsh Assembly Government 2008 - 2014

accredited management training to help women progress into leadership roles. We also work directly with employers, referral agencies and training providers to support the design of gender sensitive employment and training programmes.

The improved financial independence and security of women that these interventions achieve, contribute directly to the European Commission's goal of smart, sustainable and inclusive growth which is key to the UK's emergence from the economic crisis and a corner stone of addressing poverty. Women's economic activity benefits families by increasing well-being overall and boosting aspirations amongst children.

In this response we take the opportunity to respond at a macro level and also on issues where we have particular expertise and insight.

## *Consultation Response*

### **1. To what extent do you consider the Convergence and Regional Competitiveness and Employment Programmes in Wales for the 2007-13 period, to have achieved- or to be achieving- their intended objectives?**

Figures show that in 2009/10, the ONS has recorded an increase in the Welsh GVA per head for the first time. However, Wales continues to have the lowest GVA per head of all the devolved countries and English regions at £45.5bn. Despite investment into West Wales and the Valleys, this area has the lowest GVA per head of all the UK NUTS 2 regions. In fact, Wales' GVA per head has fallen from 67.4% to 62.8% of the UK average. The situation in East Wales is similar also, having fallen from 97.4% of the UK average in 1997 to 91.4% in 2009. In essence, the vision of economic prosperity in all areas of Wales has not been achieved. The programmes and their objectives did not foresee the global economic crisis which has created major challenges for many areas with the closure of businesses causing an increase in unemployment. The reform of public services will also bring job losses into the future.

'Wales: A Vibrant Economy' outlined a vision of increased employment and community regeneration through quality jobs created by an innovative and entrepreneurial private sector. The economic climate has not helped the Welsh Government's efforts to achieve this goal, however, more than that, there needs to be attitudinal change in Wales. Currently, businesses are reluctant to adopt innovative working practises in the ways necessary for inclusive growth. The development of a thriving economy remains a priority for the Welsh Government and

Chwarae Teg believes that cultural change that includes new ways of working would help Wales to achieve this.

Through our wide range of projects, Chwarae Teg has maximised opportunities provided by both the European Social Fund and European Regional Development Fund to address gender equality in the workplace. Our current project, Agile Nation, supports employers to innovate using flexible working practices whilst promoting inclusion within the workplace - all in the context of enhancing business success.

## **2. Do you consider the various projects funded by European Structural funds in Wales to be delivering value for money?**

Wales' strategy for this round of European Structural Funds was to identify strategic projects which met with the Welsh Government's overall vision for Wales. These very large projects took some time to implement and it is difficult to know whether or not they have achieved the overall value for money envisaged or whether they have delivered the outputs required to meet the Operational Programme for Wales. By the time final project evaluations are available, it will be too late to address any weaknesses in the procedure.

## **3. Do you have any concerns around the use of the Targeted Match Fund? Do you have any concerns around the use of Welsh Government departmental expenditure, as match funding? What impact do you believe public sector cuts have had (and may have) on the availability of public sector match funding?**

Setting up the provision of a Targeted Match Fund (TMF) (as a funder of last resort), the Welsh Government made provision for those activities for which sources of funding were not otherwise available. Chwarae Teg provides a good example of the TMF in action, enabling the Agile Nation project to take place in the absence of any other sources of funding. Gender Equality does not have its own departmental budget within the Welsh Government but cuts across the whole of the organisation and is enshrined in the Government of Wales Act.

In the next round of EU Structural funding, Chwarae Teg would like to see more co-financing at strategic level of Government so that key projects and programmes can be funded directly from the Welsh Government. In other parts of Europe, co-financing from central Governments is often the only way that significant projects can be delivered.

Chwarae Teg is aware of the constraints of public sector match funding. Like many other sponsors, the Welsh Government did not anticipate the global economic crisis when the Operational Programme for this round of EU funds was agreed. As a result of financial pressures, we believe that match funding will be even more difficult to secure and we ask that volunteer time continues to be valued and accepted as a form of match funding in the future.

#### **4. How effectively do you believe the Welsh European Funding Office (WEFO) have monitored and evaluated the impact of projects?**

Chwarae Teg would argue that qualitative outcomes should be taken into account and this should include distance travelled by participants. Results can be difficult to measure during the project period. Long-term monitoring and evaluation of projects is required to accurately measure the impact of European investment.

#### **5. Do you have any concerns regarding the sustainability beyond 2013 of the activities and outputs delivered through projects financed during the current round of Structural Funds?**

Building in sustainability is a particular challenge which must be addressed. In many cases projects were designed in the context of the availability of Structural Funds because of the absence of funds from other sources. Projects cannot continue without funding and therefore are likely to end when the funding period comes to an end.

Chwarae Teg believes that there should be some consideration of the rules around income generation for EU funded activities. For example, whilst we recognise that profit generation for commercial purposes is inappropriate, the development of income generation to support sustainable activity in charities and not for profit organisations to support desirable outcomes beyond the term of EU funding is worthy of consideration.

## 6. What is your own experience of accessing European Structural Funding?

### Chwarae Teg Projects since 2000

<i>Project</i>	<i>Value</i>
<b>European funding</b>	
<i>ERDF, Objective One - Women's Enterprise Wales: encouraging female entrepreneurship (2000-2006)</i>	£3,982,560
<i>ERDF, Objective One - Lone Parents Venture (part of Potentia) (2001-2007)</i>	£1,205,305
<i>EQUAL Community Initiative CYTGORD – Close the Pay Gap (2004-2007)</i>	£150,430
<i>ESF, Objective One - Ready, SET, Go project: challenging occupational segregation (2004-2007)</i>	£567,904.00
<i>ESF Convergence Fund - Agile Nation - promoting career progression in employment (2008 – 2014)</i>	£12,534,361
	<b>£18,440,560</b>

## 7. Is the private sector in Wales sufficiently engaged in accessing European Structural Funding?

No, we do not believe that the private sector in Wales is maximising opportunities provided by European Structural Funds. This is particularly the case in respect of the private sector taking on the project sponsor role. The private sector is more involved, we believe, through procurement.

This sector needs to be better informed and supported to engage with these funding streams. This presents a challenge in respect of regulations around profit generation and capacity building within sponsor organisations.

**8. In 2009, WEFO negotiated an increase in programme intervention rates with the European Commission for the two ERDF and the ESF Convergence Programmes. In its July 2010 report, the Enterprise and Learning Committee noted that the South West Regional Development Agency had negotiated higher intervention rates with the European Commission. Is Wales making the most effective use of increased programme intervention rates?**

Wales should negotiate the best intervention rate possible and use this to support project activity and promote outcomes, especially where the availability of match funding is restricted or absent.

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