



Llywodraeth Cymru
Welsh Government

West Wales and the Valleys

European Regional Development Fund Programme 2014-2020

2021 Annual Implementation Report Summary



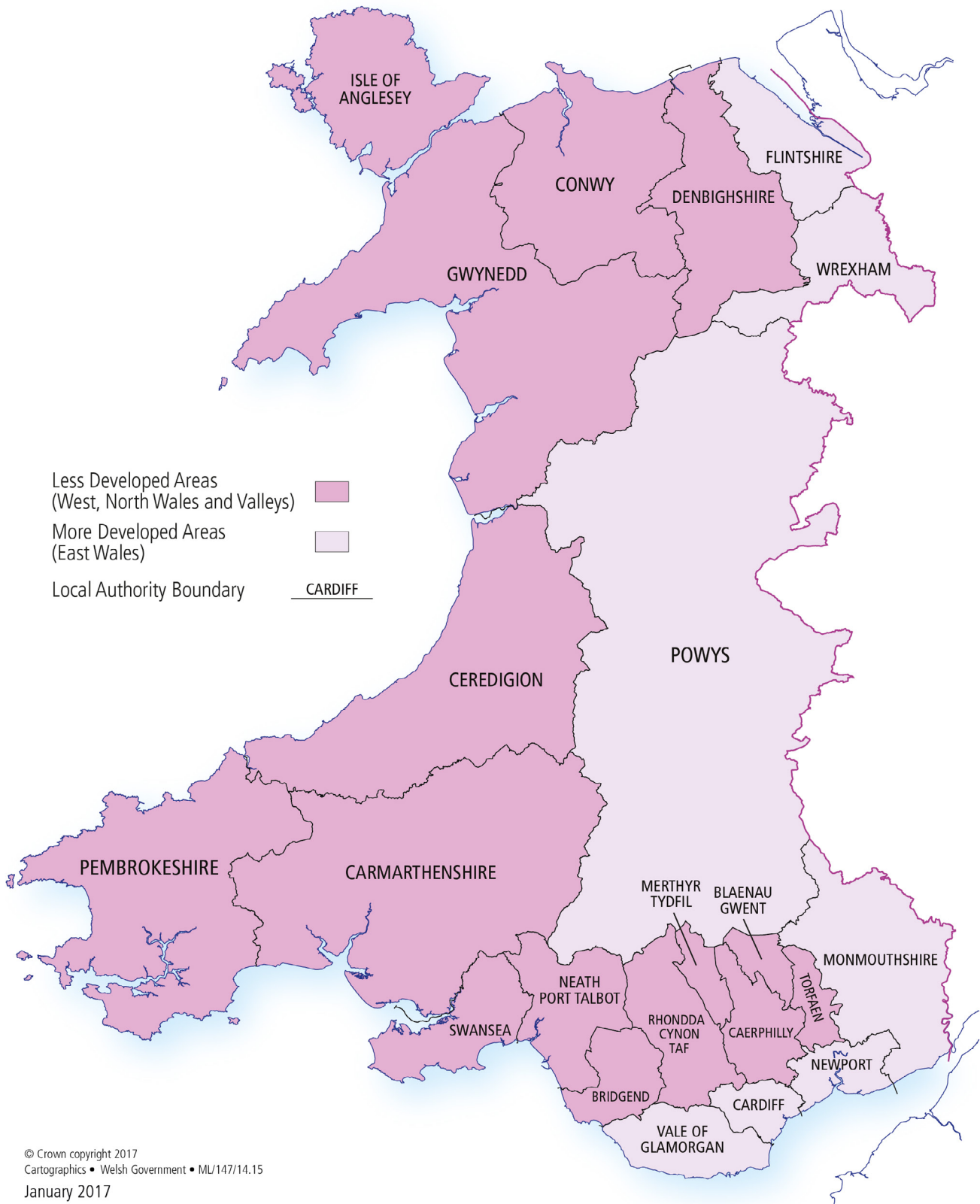
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Llywodraeth Cymru
Welsh Government

**Cronfa Datblygu
Rhanbarthol Ewrop
European Regional
Development Fund**

European Structural Fund Programme Regions in Wales for 2014-2020



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Introduction

Wales is benefiting from over **€2bn** of EU funds through four Structural Funds programmes covering the 2014-2020 period.

As part of this, over €1.2bn has been allocated to less developed areas through the West Wales and the Valleys European Regional Development Fund, which aims to drive economic growth by investing in the following priority areas:

Priority	EU budget	Total Budget
Research and Innovation	€317m	€477m
SME Competitiveness	€208m	€333m
Renewable Energy and Energy Efficiency	€156m	€224m
Connectivity and Urban Development	€501m	€763m
Technical Assistance	€24m	€32m
Total	€1,206m	€1,830m

Programme progress

The programme has made good progress committing nearly all available funds despite the continued impact of a world-wide COVID-19 pandemic.

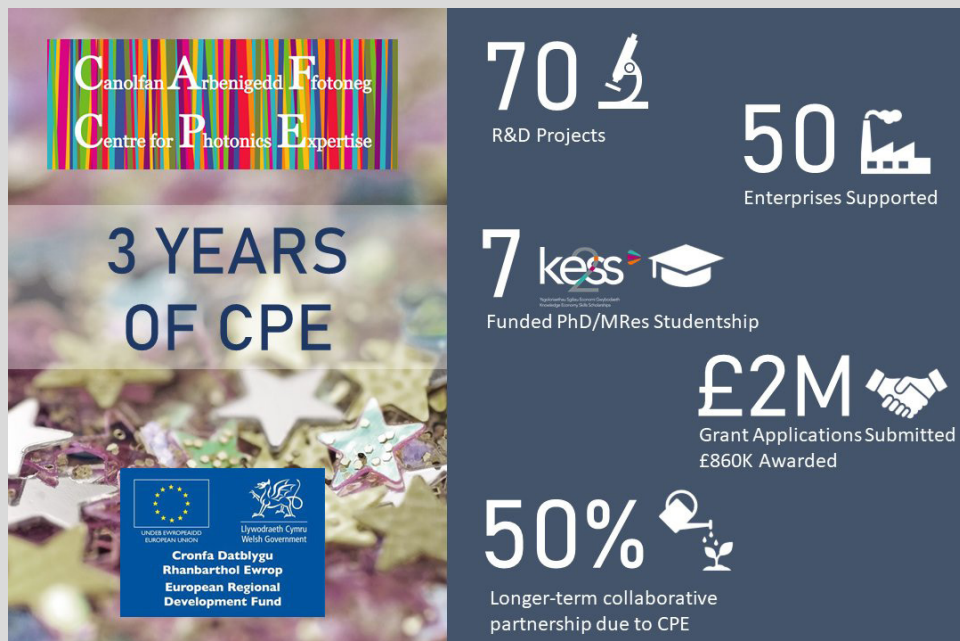
By the end of 2021, the Welsh Government had invested €1,181m of EU funds to 106 projects through the European Regional Development Fund driving a total investment of €2,039m in West Wales and the Valleys. Key highlights include:

- Over 17,600 jobs created.
- Just over 3,400 businesses created and over 10,700 businesses assisted with funding or support.
- Over £96m of research income generated by EU-funded projects.

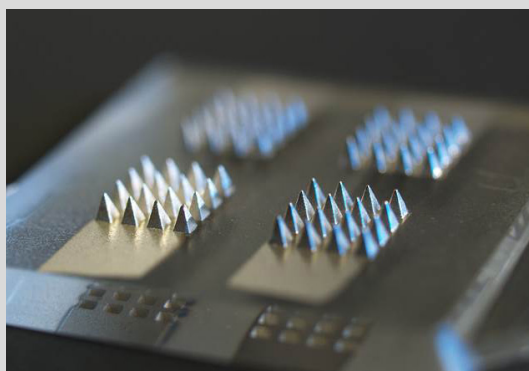
Research and Innovation

EU funds are supporting world-class research programmes at Welsh universities, major R&D collaborations between academia and industry, and helping Welsh businesses develop new products and services across a range of sectors. As we are reaching the final stages of the programmes, whilst there have been no new approvals, a number of extensions to existing projects have been agreed including over £3.6m for Cardiff University's West Wales and the Valleys Flexis operation and £816k for Bangor University's Centre for Environmental Biotechnology. Other highlights from 2021 include:

- In January, researchers at Swansea University's IMPACT project announced their development of the use of microneedles to create a 'smart-patch' the world's first smart patch vaccine device. The smart-patch will be capable of delivering a vaccine and measuring the immune response in the form of protein biomarkers thus establishing the efficacy of vaccination.
- Swansea University's SPECIFIC project celebrated its 10th anniversary in May and later in the year won the Queen's Anniversary prize for Higher and Further Education in recognition of its Materials Science and Engineering research, while its Active Office project won 'Most Innovative Building Project' and 'Most Innovative Public Sector Project' at the 2021 Building Innovation Awards.
- In November, the Centre for Photonics (CPE) celebrated their 3rd Anniversary by highlighting their achievements so far which included supporting 50 Welsh enterprises to develop products and processes and working on 70 Research & Development projects.



3 Years of CPE



IMPACT Smart Needle



SPECIFIC – Queens Anniversary Award

SME Competitiveness

Small and medium sized businesses, including start-ups and social enterprises, are benefiting from a range of funding and business support through a suite of EU-funded Business Wales initiatives and the Wales Business Fund. Highlights from 2021 include:

- The Development Bank for Wales received an additional £38.6m to bolster the Wales Business Fund operation in West Wales and the Valleys region.
- The Wales Business Fund invested over £207m in SMEs across the West Wales and Valleys region.
- EU-funded Business Wales services supported over 9,000 businesses in the West Wales and Valleys region.



Wales Business Fund – Banyan Care Home



Business Wales – Dads farm



Business Wales – Thimble Studios



Business Wales – Harvest

Renewable Energy and Energy Efficiency

EU funds are supporting projects to improve energy efficiency in low-income homes, small-scale renewable energy initiatives, and supporting the development of a leading marine energy industry in Wales. Highlights from 2021 include:

- In June, the renewable energy project Generation Storage Consumption Supply project (GSCS), led by Infinite Renewables Ltd, opened their first Energy Centre at the Rassau industrial estate in south Wales. The Centre is Wales' first multi technology energy centre, utilising a combination of wind turbines, solar photovoltaics and battery storage. It is one of up to seven local energy centre schemes planned for South and West Wales aiming to provide reliable, cost efficient and greener power directly to communities.
- During the summer, the Marine Energy Test Centre (META) in West Wales, secured a lease to launch open water test sites which now enables wave and tidal energy testing to take place in more energetic sites on Pembrokeshire's south coast.
- Later in the year, work also began on the Pembroke Dock Marine project, backed by EU funds and part of the Swansea Bay City Deal. The redevelopment will create a world-class energy and engineering centre of excellence and act as a focal point for capturing the economic value from wind, wave and tidal renewable energy projects.



Pembroke Dock Marine project



META project

Connectivity and Urban Development

EU funds are supporting investment in major transport projects, including the upgrading of roads and railway stations, the development of new employment sites across Wales and investing in key visitor attractions to drive growth in the tourism industry. Despite the continuing impact of COVID restrictions causing some challenges, works progressed on a number of the South Wales Metro operations and on the A55 Abergwyngegyn – Tair Maibion road improvement. Highlights in 2021 include:

- In July, the Welsh Government Minister for Economy, Vaughan Gething, opened the newly redeveloped visitor attraction and recreational facilities at Llys y Frân lake in West Wales. Backed by £1.7m EU funds, the new development will boost the regional economy as it provides facilities where people can participate in water-based activities and new land-based activities.
- In November, works started on the transformation of the former Oceana nightclub site in Swansea. Backed by EU funds and part of the Swansea Bay City Deal, the site will be turned into a new office development, providing space for 600 jobs in the heart of Swansea and is due to complete in Summer 2023.
- Also in November, the Deputy Minister for Climate Change, Lee Waters MS opened the Creuddyn centre. The new state of the art centre offers business units for local businesses, the social care sector and charitable organisations and will be an exciting new community facility bringing people together, to help tackle social isolation, support jobs, provide training opportunities, and accommodate social enterprises.



Llys y Fran opening



Creuddyn Centre

Success stories

Superfast Broadband – Arundale Dairy

Although Arundales grocery store, which opened in 1887 in Colwyn Bay, had to close its doors, it is still running as an online presence with the aid of EU funded Superfast Business Wales.

When COVID hit and wholesale customers cancelled orders as schools, colleges, and tourism and hospitality shutdown it could have been the end of the business.

However, the local community came to the rescue as people in lockdown inundated the firm with orders and they were delivering fruit and veg to between 70 and 90 people a day.

With no facility on their website to order or pay online, owner Wende decided to attend Superfast Business Wales' free online courses, which supported her in updating the website, making it more user friendly and allowing people to order and pay for fruit and veg boxes online.

Wende said, "I regularly update the website with content, and now have a blog and post on social media. It's quite amazing how it has all come together, with orders from the website via Facebook and Google My Business, as well as the phone, which our older customers prefer to use as many don't have online banking and struggle with online ordering."

"We weren't expecting lockdown. We weren't set up for it. But the business came looking for us and repeat orders have sustained us during the third lockdown. If a local 124-year-old family business can adapt to change and use digital to do some of the heavy lifting, then anyone can. Superfast Business Wales is free, and I thoroughly recommend it."



Arundale Dairy



GSCS

Renewable energy project Generation Storage Consumption Supply project (GSCS) is part of a new scheme to supply power directly to the Royal Mint in Llantrisant.

Led by Infinite Renewables Ltd, GSCS received just under £9m EU funds to develop cutting-edge battery technology and create pioneering multi-technology energy centres to generate and store electricity from renewable and low carbon sources and distributed to local businesses at a discounted rate.

The project will bring together specialists in the renewable energy field to build a multi technology Local Energy Centre (LEC), co-funded by Albion Community Power.

Expected to be operational by Autumn 2022, the Centre will incorporate a 2MW Solar Farm on adjacent land, which is forecast to provide 2.4GWh of annual generation directly to the Royal Mint.

The 'Giant Daffodil', an 850kW wind turbine painted yellow and green, designed, supplied and built by Infinite and which already supplies almost 10% of the Royal Mint's energy needs will also be integrated into the LEC.

Andrew Crossman, Director Infinite, said: "The Energy Centre at the Royal Mint is a tremendously exciting and innovative project. The generation from low carbon and renewable technologies ... will provide a huge boost to The Royal Mint's carbon reduction strategy."

Sarah Bradley, Director of HR, Safety and Environment at the Royal Mint, said: "We are continually looking for ways to be a sustainable business and reduce our carbon impact. In 2018 we unveiled a wind turbine on site, and we are pleased to be working with Infinite to build on our commitment to renewable energy."



GSCS project – Royal Mint