



Llywodraeth Cymru  
Welsh Government

# West Wales and the Valleys

## European Regional Development Fund Programme 2014-2020

### 2022 Annual Implementation Report Summary



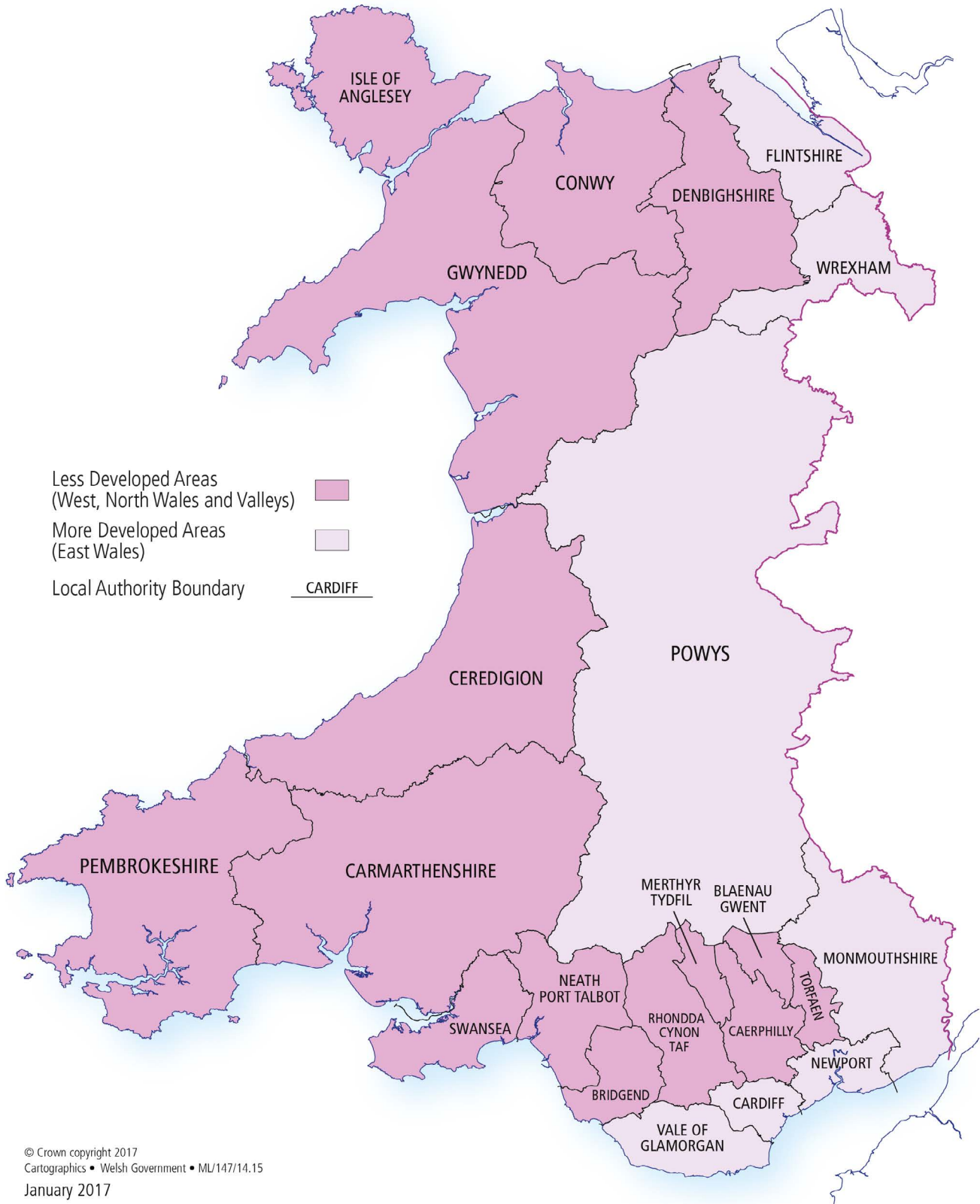
UNDEB FWROPEAIDD  
EUROPEAN UNION



Llywodraeth Cymru  
Welsh Government

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

# European Structural Fund Programme Regions in Wales for 2014-2020



© Crown copyright 2017  
Cartographics • Welsh Government • MU/147/14.15  
January 2017



# Contents

Introduction	3	Renewable Energy and Energy Efficiency	4
Programme progress	3	Connectivity and Urban Development	4
Research and Innovation	4	Highlights	5
SME Competitiveness	4	Success stories	6

## Introduction

Wales is benefiting from over **€2bn** of EU funds through four Structural Funds programmes covering the 2014-2020 period, driving a total investment of over €3.7bn.

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
<b>Total</b>	<b>€1,206m</b>	<b>€1,830m</b>

## Programme progress

The programme has made good progress committing all available funds despite the continued impact of a world-wide Covid-19 pandemic, the war in Ukraine and cost of living crisis which has affected supply chains.

By the end of 2022, the Welsh Government had fully committed the EU funds allocation to 107 projects through the European Regional Development Fund driving a total investment of over €2bn in West Wales and the Valleys.

## 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. The programme approved £4.7m ERDF for the Marine Characterisation Research Project (MCRP), led by Menter Môn, which will allow the deployment of Tidal Stream energy devices in Welsh waters. As we are reaching the final stages of the programmes, only a few extensions, by exception, have been given to existing projects to ensure all operations are completed in 2023.

## 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. During 2022, financial support for businesses in West Wales and the Valleys has been primarily through loans, supporting Welsh SMEs whilst the economy recovers.

## 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. During 2022 the programme awarded its final grant offer letters in support of the Marine Energy sector, with £31m EU funds being awarded to Mentor Môn for the Morlais Infrastructure project, which aims to further the development of tidal power generation technologies by providing grid connectivity.

## 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. An additional £3.1m ERDF was approved for the Penrhos Phase 2 and Phase 3 projects, led by Anglesey Council, for the construction of 13 further business units on the Penrhos Industrial Estate in Holyhead, following the initial EU funded development of 10 units at the site in 2020.

# Highlights

## Key Stats:

- Over 20,800 jobs created.
- Just over 4,100 businesses created and over 12,200 businesses assisted with funding or support.
- The Wales Business Fund invested almost £264m in SMEs across the West Wales and Valleys region.
- EU-funded Business Wales services supported over 10,300 businesses in the West Wales and Valleys region.
- Over £184m of research income generated by EU-funded projects.

## Other Highlights include:

- The Minister for Economy visited the TWI Wales' laboratories, Port Talbot, part of the EU funded Advanced Engineering Materials Research Institute (AEMRI) initiative which is pioneering research into non-destructive testing in areas such as road and rail transport, aerospace, petrochemical, energy, and healthcare.
- Swansea University was presented with the Queen's Anniversary Prize, for their EU funded SPECIFIC project, by HRH Charles, Prince of Wales at a reception at St James's Palace, London.
- The ASTUTE 2020+ project led by Swansea University in partnership with Cardiff University, Aberystwyth University, the University of Wales Trinity Saint David, and the University of South Wales, completed at the end of December. Funded by ERDF in successive programming rounds, the project has provided support to over 540 Welsh enterprises, created and safeguarded over 1020 jobs, and contributed an economic impact of over £540 million across Wales since its inception in 2010.
- Professor Glyn Hewinson, Sêr Cymru Research Chair in the Centre of Excellence for Bovine Tuberculosis for Wales at Aberystwyth University was awarded a CBE in the Queen's Birthday Honours for services to Animal Health and Welfare.



Minister for Economy visits TWI Wales



Professor Glyn Hewinson, Sêr Cymru Research Chair



Swansea University receiving the Queens Anniversary Prize

# Success stories

## SMART

An innovative new mobile telephone mast powered through a pioneering wind turbine with the potential to support Wales' ambitious net zero target and tackle mobile blackspots in rural areas has been developed by a south Wales-based company, thanks to support from the EU funded SMART programme.

The SMART programme has worked with almost 500 Welsh firms to design and commercialise innovative new products, investing over £73m and supporting over 1,450 new R&D projects.

SMART supported Baglan-based Crossflow Energy with grant bids, academic collaboration with Swansea University and introduced them to Vodaphone, who are now beginning to roll-out their technology.

After starting with a demonstration site in Pembrokeshire, Crossflow hopes to expand and provide communities across Wales with mobile phone signals powered by clean, renewable energy with plans to sell the technology world-wide.

Economy Minister, Vaughan Gething, said:

“Thanks to EU-funded innovation programmes, business across Wales have been able to take new ideas from the drawing board and bring to life new, innovative, and dynamic products and services. Their innovation, backed by the Welsh Government, is helping to create thousands of new jobs in communities across the country.

A real example of this is the innovative work being undertaken by Baglan-based Crossflow. Their revolutionary design concept for a mobile telephone mast powered by renewable energy is now subject to world-wide attention and interest.”



Crossflow Energy

## Morlais

The Morlais tidal energy project off Anglesey benefitted from £31m of EU funds in 2022, while another £4.7m EU funds was also awarded for their data gathering Marine Characterisation Research Project (MCRP), which will allow for the deployment of tidal stream energy devices in Welsh waters.

Led by social enterprise Menter Môn, the Morlais Infrastructure development aims to develop tidal power generation technologies with the potential to provide enough electricity to power around 180,000 typical households.

As well as developing the tidal stream sector in north Wales, the project is bringing a number of economic benefits to the region with the proactive use of a local supply chain and support and promotion of apprenticeships for local people.

A further £1.2million investment from The Crown Estate will support the delivery of the MCRP, to safeguard the marine environment.

Nicola Clay, Head of New Ventures in The Crown Estate's Marine team, commented:

“Our own funding commitment at Morlais is one example of how we're working in partnership with the UK and Welsh governments to support their commitment to renewable energy growth and the transition to next zero.

Through this latest investment, we will help provide a comprehensive package of essential data to support the development of this important project, safeguard marine biodiversity and make valuable insights available to benefit many other marine industries.”



Deputy Minister for Climate Change visits Menter Môn's Morlais project