



## Inquiry into the draft legislative proposals EU structural funds for 2014 – 2020

### Chwarae Teg Consultation Response

November 2011

#### *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. What might the European Commission's proposals mean for Wales?**

Chwarae Teg welcomes the proposals for common rules and principles within European funding programmes as long as these reflect the differing nature of the funds and how they achieve their ends.

#### **GENERAL REGULATIONS**

##### ***Conditionality provisions***

Chwarae Teg believes that a focus on performance will help to deliver the best results but we are concerned about how this will be measured. We believe that qualitative outcomes should be taken into account and that this should include the distance travelled by those accessing the project. Measurement of this type of performance is crucial if the funds are to be used to make the changes for which they are designed.

Chwarae Teg also supports the move to strengthen ex ante conditionalities but would stress that any changes to rules need to be made in the context of the sort of organisations from which the Commission is trying to stimulate projects. 'Payment by results' systems can prevent charities from accessing funding as they are unable to enter situations where they put their funds at risk. Therefore, we believe that provision for the advance funding of charities must remain intact.

### ***Simplified and streamlined eligibility rules***

Chwarae Teg also welcomes proposals to simplify and streamline eligibility rules. Cutting red tape for beneficiaries means cutting red tape for project sponsors and delivery agents. Risk might be assessed by considering the track-record of the organisation in respect of delivery and governance over the progress of the project and designing the level of scrutiny needed accordingly. Evaluating the effectiveness and governance of past projects would also be a helpful indicator of the risk related to current projects from the same provider.

Streamlining would also be enhanced if it were possible for administering agencies such as the Welsh European Funding Office (WEFO) to be able to exercise some judgement on the interpretations of definitions of eligible expenditure, in the light of realistic business practice and the overall purpose of the grant. If this facility already exists, it is important that organisations have access to the officials who can exercise this judgement.

### ***Improving administrative capacity***

Improvement of administrative capacity at WEFO level should enable this function to deal with projects of diverse models (e.g. collaborations) and sizes. It is also important to achieve a diverse range of projects and attract a good range of project sponsors – especially the third sector. Among other things, WEFO needs to be able to conduct fast, effective due diligence into project proposals from charity and other third sector organisations. This means making sure officials have the necessary skills in-house to assess the viability of different types of projects and organisations in this specialist area.

## **THE EUROPEAN SOCIAL FUND**

### ***Reinforcing partnership***

Chwarae Teg welcomes the focus on provisions to strengthen partnerships with social partners and NGOs to encourage active participation.

### ***Other comments***

Chwarae Teg welcomes the simplification of processes to support smaller organisations. This is particularly important for Wales where third sector providers make a strong contribution to economic development. There is a strong link in Wales between the public and third sector through the good work of Wales' Council for Voluntary Action (WCVA) and the Third Sector Partnership Council (TSPC). The Welsh Government must make the most of the opportunities that this creates for the

effective use of European funds. The Government should also negotiate conditions which will enable the maximisation of funds in Wales. Chwarae Teg also supports the plans for increased use of financial instruments although we again stress that these instruments must be designed in a way that makes them accessible for charities.

## **2. What should WG's priorities be in its negotiations to ensure a beneficial outcome for Wales?**

### ***Sustainability and legacy***

We would hope that this is the last time Wales is likely to be eligible as a less developed region. Focus must therefore be on the development of projects which will provide a legacy that can be embedded for the longer term. We believe that this can be achieved by focusing on projects that deliver actions that will promote cultural and attitudinal change. There should also be mechanisms in place to make mainstreaming or the continuation of projects to be achievable. These mechanisms might include the use of financial instruments that will promote sustainability of outcomes and actions. We also believe 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.

### ***Strengthening thematic concentration***

#### **Gender equality**

Chwarae Teg strongly recommends that the promotion of equality between women and men remains a priority. In particular, in Wales, as it is such a small country, it is imperative that *all* talent is harnessed to achieve economic growth. A recent report by the UK Council for Employment and Skills (UKCES) demonstrated that many of the predicted future skills gaps are in areas where women are under-represented. Furthermore, the Davies report (2011) identifies the need for the development of a pipeline of women to ensure equal gender representation in decision making. Achieving gender equality in the economy is a very important part of achieving inclusive growth. A continued focus in Wales on promoting equality between women and men is crucial to Wales' economic recovery. The inclusion of women will also have a positive impact on reducing poverty which is another aim of Europe 2020.

## **Flexible working**

The Welsh Government is committed to promoting flexible working and many Welsh employers have embraced alternative ways of working. However, there is still a long way to go. Flexible working can bring many positive benefits that support the aims of Europe 2020. For example, it can increase business performance, reduce carbon emissions and create opportunities for inclusion. As a result, Chwarae Teg believes that this should continue to be a focus for Wales. Flexible working is an important factor in generating sustainable change through innovative working practices to support growth and competitiveness. The public sector in Wales has led the way in implementing a flexible approach within the workplace but there is still much work to be done to promote flexible working to private sector employers.

## **OTHER ISSUES**

### ***State aid***

It is Chwarae Teg's experience that officials struggle to understand and communicate the regulations pertaining to state aid and have difficulty resolving issues. This not only creates delays but can undermine projects. To make the most of interventions, it is important that Wales invests in people who really understand, can apply and communicate the rules.

### ***Regeneration***

Chwarae Teg believes that there should be greater support for projects to address regeneration in rural areas.

### ***Transnationality***

Chwarae Teg also welcomes the focus on transnational priorities. We believe that sharing best practice across nations is very positive. Innovation does not just come from original ideas; it comes from the introduction of new ideas from one country or sector into another. We believe that this part of the scheme could better supported with help to find partners and facilitate joint working.

### ***Match funding***

We strongly recommend that volunteer time continue to be recognised as a source of match funding. This is particularly important in such times of austerity where match funding in cash is hard to come by.

### ***Accessibility***

Chwarae Teg believes that all materials surrounding funding initiatives should meet recommended accessibility criteria. This would help to make regulations and procedures clear and easy to follow.

### **3. How can Wales ensure that its views inform the negotiation process?**

Wales can ensure that its views inform negotiations by providing robust evidence and case studies from successful projects. Providing examples of what has worked in Wales will help to influence decisions.

Chwarae Teg's own Agile Nation project is an example of a specific project that has been delivered by a small, charitable organisation. We would be very happy to share our experiences in more detail with officials.

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