

# **The Economic Prioritisation Framework (EPF)**

## **Briefing Paper**

### **Investment for jobs and growth**

European Regional Development Fund (ERDF)

European Social Fund (ESF)

European Agricultural Fund for Rural Development (EAFRD)

European Maritime and Fisheries Fund (EMFF)

## Where to find further information

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## **Section 1: What is the Economic Prioritisation Framework (EPF)**

### **1. What is the Economic Prioritisation Framework (EPF)?**

- The key recommendation of the Guilford Report, an independent review of the arrangements for the implementation of the 2014-2020 round of European Structural Funds Programmes, is the establishment of an Economic Prioritisation Framework (EPF) to support the targeting of EU Funds on key areas of the economic opportunity and to help maximise synergy with Welsh Government policy and strategies and Europe 2020.
- The EPF is a planning and guidance document. It forms one element of a suite of tools and guidance documents that the Managing Authorities will use in determining how to target the activities set out within the Operational Programmes (ERDF and ESF) and programming documents (EAFRD and EMFF).
- The EPF provides a summary of different investments being made across Wales. Operations seeking EU funding support should describe how they will establish complementarity with and add value to these wider investments.

### **2. What is the purpose of the EPF?**

- In order to secure transformational change within our economy, EU funded operations should be able to demonstrate their importance within a coordinated portfolio of public, private and third sector investments – the overall investment jigsaw in Wales.
- EU Funds are an integral component of this overall investment jigsaw. The EPF seeks to highlight some of the other pieces of that jigsaw (i.e. where other investments are taking place or are planned). In so doing, the EPF will act as a tool to help you to begin joining the pieces together (i.e. to describe how your idea adds value as a key element of that investment jigsaw).
- The EPF will not describe what operations need to be developed; it is intended to help you, as a potential beneficiary, to better understand the existing investment context to ensure that your operation works as an integral part of that context.

### **3. How does the EPF relate to the ERDF and ESF Operational Programmes and the EAFRD and EMFF programming documents?**

- The Operational Programmes / programming documents set out the overall programme strategy for each programme and constitute the Welsh Government's contract with the European Commission. They identify how EU Funds align with Welsh Government policies and strategies and set out the overall objectives of each Programme and the activities to be funded.
- The EPF does not replace or supersede these documents. It supplements the Operational Programmes / programming documents by mapping key economic opportunities in Wales so that EU funds can be deployed where they will have the greatest impact.

### **4. What does the EPF look like?**

- The EPF identifies 10 key economic opportunities in Wales. These opportunities are both thematic (relating to a specific business sector) and regional (relating to a specific region of Wales). These economic opportunities are aligned with Welsh government policy priorities.
- Each economic opportunity has a short description of potential ways in which EU funded operations could be deployed to relate to and add value to the investment context. This is indicative only, it is your responsibility to identify the best ways by which your operation can contribute to and add value to the investment context.

### **5. What is a backbone operation?**

- We will be funding a portfolio of operations which, in combination, will deliver the key aims, objectives and indicators set out in the Operational Programmes / programming documents. Backbone operations are our key or core operations. They are large, strategic operations which deliver against many of the economic opportunities in the EPF and which will deliver a large proportion of our Programmes' outputs and outcomes.

### **6. Will the EPF be updated during the 2014-2020 programme period?**

- Yes. The EPF is a live document. It will be updated throughout the 2014-2020 programme period to reflect changes to the economic and strategic environments, emerging economic opportunities and progress made on the implementation of the EU programmes. For example, as EU operations, including backbone operations, are approved, the EPF will be updated to list these operations.

- The EPF will also be reviewed throughout the programme period to ensure that the identified economic opportunities remain relevant and accurately reflect the Welsh economy.

## **Section 2: Using the Economic Prioritisation Framework (EPF)**

### **7. How do I use the EPF?**

- The EPF will help you to identify what other investments are planned or taking place which are relevant to your proposed operation. You should use the EPF to help demonstrate that your operation is an integrated part of this wider investment climate; that it is adding real value to other programmes supporting jobs and growth. You should be able to demonstrate how you will work with these initiatives and organisations to achieve a greater collective impact.
- It will not be enough to simply identify a link with an existing initiative or investment area; you should be able to describe how your proposed operation complements and adds value to these investments.
- Where appropriate, you should demonstrate how your operation shares key demand drivers and builds on existing capability set out in the EPF.

### **8. Is an operation 'better' if it aligns to more than one economic opportunity?**

- Not necessarily. While some operations will align with multiple opportunities others, in aligning strongly with one economic opportunity, may make a vital contribution to exploiting the potential offered by that economic opportunity.

### **9. Is an operation 'better' if it aligns with a thematic or a regional economic opportunity?**

- Operations can align with either thematic or regional economic opportunities, or both. The key point is to align your proposed operation to an economic opportunity, or several economic opportunities, in the EPF.

### **10. What is my operation doesn't 'fit' with any of the economic opportunities?**

- We don't want to rule out any potential beneficiaries whose operation doesn't align with any of the economic opportunities; you are still welcome to discuss your idea with us. However, we would expect that most operations will be able to demonstrate a degree of alignment with at least one of the opportunities. If your operation does not do this, you will need to be able to make a very strong case to receive funding that would otherwise be allocated to an operation that can demonstrate its contribution to the portfolio of investments in the EPF. You will

therefore need to demonstrate a very strong alignment with the objectives, targets and criteria set out in the Operational Programme / programming documents and selection and assessment criteria.

**11. What about the Operational Programmes (ERDF / ESF) or programming documents (EAFRD and EMFF), the Selection and Assessment Criteria and the Cross-Cutting Themes guidance?**

- You will still need to demonstrate that your operation will deliver the aims and objectives of the relevant EU Fund, as set out in the relevant Operational Programme / programming documents. This is similar to the 2007-2013 programmes.
- You will also be expected to demonstrate that your operation meets the eligibility criteria and the selection and assessment criteria, as well as how your operation is contributing to the Cross-Cutting Themes. Separate guidance documents will be available to help you in meeting each of these requirements.

**12. Will there be a fast track for operations delivering under identified areas backbone activity in the EPF?**

- No; as required by European Commission regulations, all operations will be subject to the same development and assessment system.



## **Annex A: Glossary and Definitions**

### **Backbone Area of Activity**

An area of activity which has significant potential to deliver against many of the economic opportunities in the EPF and to deliver a significant proportion of the outputs and outcomes set out in the Operational Programmes / programming documents.

### **Backbone Operation**

A key or core operation, likely to be a large and strategic operation, which makes a significant contribution to the areas of backbone activity outlined in the EPF and which will deliver against many of the economic opportunities in the EPF, as well as delivering a significant proportion of the outputs and outcomes set out in the Operational Programmes / programming documents.

### **Economic Opportunity**

An opportunity, based in a specific region of Wales or around a specific business sector, for economic growth.

### **Existing Capability**

Investments that increase capacity and capability related to a specific economic opportunity, that meet or can act as enablers to support meeting an element of the requirement resulting from one or more key demand driver.

### **Horizon Scanning**

Potential future investments which have clear backing.

### **Investment Jigsaw/Investment Context**

The various existing and planned investment programmes being taken forward in Wales by the public, private and third sector. These are the areas identified as being genuine opportunities for transformational growth and change to the Welsh economy.

### **Investments in the Pipeline**

Planned investments which have not yet commenced.

### **Key Demand Driver**

A major, significant investment which will drive the demand for goods, services, supply chains, and people.

### **Programme Period**

The period of the implementation of the 2014-2020 EU Fund programmes.

### **Selection and Assessment Criteria**

The criteria by which operations are assessed by the Managing Authorities.