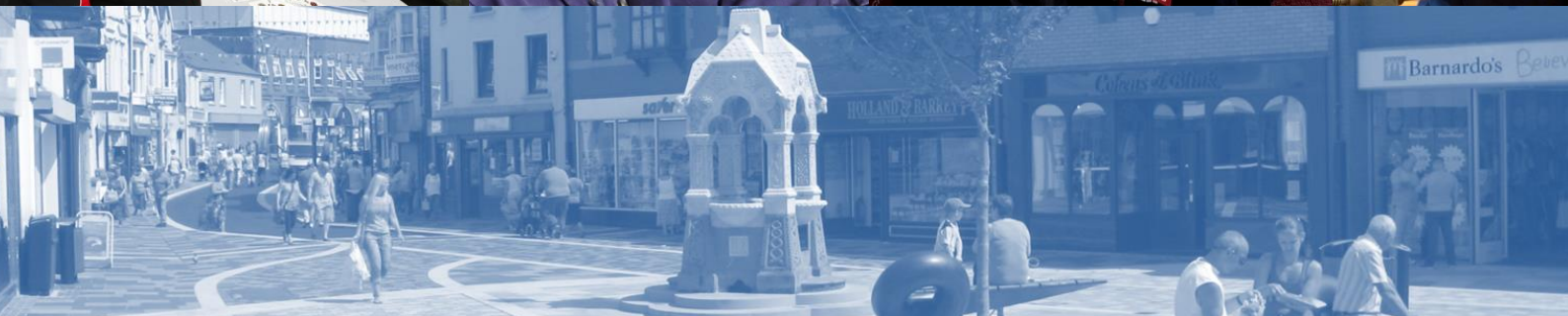




Llywodraeth Cymru  
Welsh Government

[www.gov.wales](http://www.gov.wales)



Welsh European Funding Office

## Guidance on Indicator Definitions, Data and Evidence Requirements

### ERDF: Priority Axis 1: Research and Innovation

Version: 1.2 March 2016

**Cronfeydd yr UE:  
Buddsoddi yng  
Nghymru**  
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Investing in Wales**



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## Glossary<sup>1</sup>

Applied Research	'Applied research' means industrial research, experimental development, or any combination of both.
Cooperation	Collaboration between at least two independent parties to exchange knowledge or technology, or to achieve a common objective based on the division of labour where the parties jointly define the scope of the collaborative project, contribute to its implementation and share its risks, as well as its results. One or several parties may bear the full costs of the project and thus relieve other parties of its financial risks. Contract research and provision of research services are not considered forms of collaboration.
Employee	Employee as defined at <a href="https://www.gov.uk/employment-status/employee">https://www.gov.uk/employment-status/employee</a> An employee is someone who works under a contract of employment.
Enterprise	Organisation producing products or services to satisfy market needs in order to reach profit. The legal form of enterprise may be various (self-employed persons, partnerships, etc.). (EC, 2014).
Experimental development	Acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services. This may also include, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services. Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes. Experimental development does not include routine or periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those

<sup>1</sup> Definitions have been taken from EU 1303/2013 and C(2014)3282 and EC Concepts and Recommendations, March 2014

	changes may represent improvements.
Financial Support	Financial support is defined as grant where non-refundable direct financial support is provided conditional only upon completion of a project. Financial support is defined as other than grants where financial support takes the form of loans, interest subsidy, credit guarantee, venture capital or other financial instruments.
Full-time equivalent	Jobs should be reported as FTEs, based on a 30 hour week. For example, if a post involves working 30 hours or more per week then it is 1 FTE. If a job is not full-time, then the hours worked each week will need be divided by 30 to give the proportion of FTE represented. For example, 18 hours per week would be 0.6 FTE.
Fundamental Research (Basic Research)	Experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any direct commercial application or use in view.
Gender	The term "sex" refers to the biological and physiological characteristics that define men and women while the term "gender" refers to the social representation of male and female attributes. For the purposes of monitoring it is recommended that: - in cases where information is collected directly from participants the gender identity of participants should be recorded (i.e. the sex/gender that the participant wishes to be identified with) ; - in cases where information is taken from registers the existing records can be used without further enquiry.
Industrial Research	Planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services or for bringing about a significant improvement in existing products, processes or services. It comprises the creation of components parts of complex systems, and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and notably for generic technology validation.
Innovation Advisory Services	Consultancy, assistance and training in the fields of knowledge transfer, acquisition, protection and exploitation of intangible assets, use of standards and regulations embedding them.

Innovation Support Services	The provision of office space, data banks, libraries, market research, laboratories, quality labelling, testing and certification for the purpose of developing more effective products, processes or services.
Knowledge Transfer	A process which has the aim of acquiring, collecting and sharing explicit and tacit knowledge, including skills and competence in both economic and non-economic activities such as research collaborations, consultancy, licensing, spin-off creation, publication and mobility of researchers and other personnel involved in those activities. Besides scientific and technological knowledge, it includes other kinds of knowledge such as knowledge on the use of standards and regulations embedding them and on conditions of real life operating environments and methods for organisational innovation, as well as management of knowledge related to identifying, acquiring, protecting, defending and exploiting intangible assets.
Operation	a project, contract, action or group of projects selected by the managing authorities of the programmes concerned, or under their responsibility, that contributes to the objectives of a priority or priorities; in the context of financial instruments, an operation is constituted by the financial contributions from a programme to financial instruments and the subsequent financial support provided by those financial instruments.
Organisational Innovation	The implementation of a new organisational method in an undertaking's business practices, workplace organisation or external relations, excluding changes that are based on organisational methods already in use in the undertaking, changes in management strategy, mergers and acquisitions, ceasing to use a process, simple capital replacement or extension, changes resulting purely from changes in factor prices, customisation, localisation, regular, seasonal and other cyclical changes and trading of new or significantly improved products.
Process Innovation	Process innovation' means the implementation of a new or significantly improved production or delivery method (including significant changes in techniques, equipment or software), excluding minor changes or improvements, increases in production or service capabilities through the addition of manufacturing or logistical systems which are very similar to those already in use, ceasing to use a process, simple capital replacement or extension, changes resulting purely from changes in factor prices, customisation, localisation, regular, seasonal and other cyclical changes and trading of new or significantly

	improved products.
R & D Project	An operation that includes activities spanning over one or several categories of research and development defined in this framework, and that is intended to accomplish an indivisible task of a precise economic, scientific or technical nature with clearly pre-defined goals. A R&D project may consist of several work packages, activities or services, and includes clear objectives, activities to be carried out to achieve those objectives (including their expected costs), and concrete deliverables to identify the outcomes of those activities and compare them with the relevant objectives. When two or more R&D projects are not clearly separable from each other and in particular when they do not have independent probabilities of technological success, they are considered as a single project.
Research Infrastructure	Facilities, resources and related services that are used by the scientific community to conduct research in their respective fields and covers scientific equipment or set of instruments, knowledge-based resources such as collections, archives or structured scientific information, enabling information and communication technology-based infrastructures such as grid, computing, software and communication, or any other entity of a unique nature essential to conduct research. Such infrastructures may be 'single-sited' or 'distributed' (an organised network of resources)
Research Institution	An organisation for which R & D is a primary activity
SME	As defined recommendation 2003/362/EC. A category of micro, small and medium-sized enterprise employing fewer than 250 persons and which has an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million. SMEs can be autonomous, partner or linked enterprises. Guidance on the definition of these categories and on calculating headcount and turnover can be found at: <a href="http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/index_en.htm">http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition/index_en.htm</a>
Social Enterprise	An enterprise with primarily social objectives whose surpluses are principally reinvested for that purpose in the enterprise or in the community, rather than being driven by the need to maximise profit for shareholders and owners.

## Thematic Objectives and Investment Priorities

Thematic Objective 1	Strengthening research, technological development and innovation.	
Investment Priority 1(a)	Enhancing research and innovation infrastructure (R&I) and capacities to develop R&I excellence and promoting centres of competence, in particular those of European interest.	SO 1.1
Investment Priority 1(b)	Promoting business investment in innovation and research, and developing links and synergies between enterprises, R&D centres and higher education, in particular product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in Key Enabling Technologies and diffusion of general purpose technologies.	SO 1.2



## Result Indicators and Specific Objectives

The result indicator is intended to represent the change anticipated as a direct consequence of the intervention(s) linked to each specific objective. The rationale for the selection of the result indicators and programme targets are set out in the respective Operational Programmes. The Operational Programmes are available at: <http://www.gov.wales/eu-funding>

Operations, in accordance with their operation logic tables, should focus on their contribution to the result indicator associated with the specific objective.

The selection of output indicators, as defined in this guidance, should be derived from the intervention logic for each operation and be aligned with the respective result indicators, specific objectives and investment priorities.

Evidence will need to be provided to demonstrate the how the funded activities link the aims to the objectives and outputs. The evidence that will be provided will be set out and agreed in the Business Plan.

### Monitoring Data:

Data will need to be provided to support claims. Annex A sets out the **mandatory** data requirements for WEFO funded operations.

Beneficiaries should collect **additional** monitoring data to enable evaluation of the effectiveness and impact of the Operation.

The data should be uploaded via WEFO online as a part of the claims process. A template for provision of data is available on the WEFO website:

These set the overall aims of the programmes within which operations will take place, and in many cases will provide examples of the types of activities envisaged under each SO.

Useful Contacts for queries and advice:

[RME.MAILBOX@Wales.GSI.Gov.uk](mailto:RME.MAILBOX@Wales.GSI.Gov.uk) Queries relating to Research Monitoring and Evaluation

[WEFOCrossCuttingThemes@Wales.GSI.Gov.uk](mailto:WEFOCrossCuttingThemes@Wales.GSI.Gov.uk) Queries relating to Cross Cutting Themes

[WEFOverifications@Wales.GSI.Gov.uk](mailto:WEFOverifications@Wales.GSI.Gov.uk) Queries relating to audit and evidence

If a query relates directly to an approved operation then the first point of contact should be the project development officer.

## Specific Objective 1.1

To increase the success of Welsh research institutions in attracting competitive and private research funding.			
		Target WWV (2023)	Target EW (2023)
<b>Result indicator</b>	Research Income for HEIs. <sup>2</sup>	10-15% increase over baseline <sup>3</sup>	6% increase over baseline
Output Indicator	Number of enterprises cooperating with supported research institutions.	160	90
	Number of improved research infrastructure facilities.	6	2
	Amount of research funding secured	£165m	£65m
	Number of new researchers in supported entities.	470	290
	Number of researchers working in improved research infrastructure facilities.	200	110

<sup>2</sup> Research income from competitive and private funding for 'applied' research. <https://www.hesa.ac.uk>  
Includes 'private' and 'match'.

<sup>3</sup> Baselines £82.4m (WWV) £92.8m (EW) (2011-12) (HESA)

## Specific Objective 1.2

To increase the successful translation of research and innovation processes into new and improved commercial products, processes and services, in particular through improved technology transfer from Higher Education Institutions (HEIs)			
		Target WWV	Target EW
<b>Result indicator</b>	Average share of total turnover from product innovation and novel innovation: new to market, new to business and significantly improved.	+ 24-27% <sup>4</sup>	+ 23-24% <sup>5</sup>
Output Indicators	Number of enterprises cooperating with supported research institutions	1212	715
	Number of enterprises receiving grants.	520	320
	Number of enterprises receiving non-financial support.	3,750	2,245
	Number of new enterprises supported	30	20
	Private investment matching public support in innovation or R&D projects.	£42.8m	£26.2m
	Employment increase in supported enterprises.	1,125	670
	Number of enterprises supported to introduce new to the market products.	490	300
	Number of enterprises supported to introduce new to the firm products.	725	440
	Number of patents registered for products.	519	315
	Number of pilot projects completed.	n/a	n/a
	Enterprises adopting or improving equality and diversity strategies and monitoring systems.	956	515
	Enterprises adopting or improving sustainable development strategies and monitoring systems.	956	515

<sup>4</sup> Baseline 22.4% (All Wales) (2010data : Table 4) UK Innovation Survey (BIS)

# Indicator Definitions

## Number of enterprises receiving grants

The number of *enterprises* receiving support in the form of non-refundable direct financial support which is conditional only on completion of the *project* (grants).

The grant value should be at least £1000.

An enterprise receiving grants more than once within a project is still only one enterprise receiving grants during the lifetime of an operation.

An enterprise recorded as receiving grants can also be recorded as receiving financial support other than grants or receiving non-financial support if they receive relevant support through different activities.

### Unit:

Enterprises

### Data Requirements:

Data on all enterprises supported should be submitted when they are included on a claim. Evidence should be available when the claim is made. A complete list of fields is given in the Annex.

### Suggested Evidence:

The evidence of eligibility, activities and outputs should be set out within the Business Plan and agreed with WEFO. Evidence will need to be provided of the SME status of every enterprise receiving support.

ERDF supported enterprises can use the model declaration form in the EC SME user guide to establish SME status:

<http://ec.europa.eu/DocsRoom/documents/10109/attachments/1/translations/en/renditions/pdf>. Alternatively, evidence might come from company accounts; companies house records; databases such as MINT; cross-reference to other information held by WG or in the public domain etc.

Evidence that provides details of the enterprise's activities prior to the award of grant; details of the grant funded activities undertaken and how these relate to the output and results.

A letter or appropriate document should be provided from the grantor to the grantee (being supported by the project) stating the amount of the grant; the purpose of the grant and any conditions relating to the grant.

A copy of the BACS or Bank Statement showing transfer of the funds into the grantees account should be provided

## **Number of enterprises receiving non-financial support**

The number of enterprises receiving support that is neither 'grant' nor 'financial support other than grants'. The support can be standalone or as part of a cooperation. Enterprises can only be counted once for each operation.

The amount of support should be calculated on a cumulative basis. The support encompasses only advisory work and does not include travel time. A minimum of 1 day (6 hours activity) which was delivered through a business diagnostic or equivalent that results in an action plan OR 2 days (12 hours) support through active innovation advisory or innovation services. A business diagnostic should result in an action plan.

An enterprise recorded as receiving support under this indicator can also be recorded as receiving grants and receiving financial support if they receive relevant support through different activities. Enterprises can also be counted as 'enterprises cooperating with supported research institutions'

Examples of the types of action supported can be found within the Operational Programme.

### **Unit:**

Enterprises

### **Data Requirements:**

Data on all enterprises supported should be submitted when they are included on a claim. Evidence should be available when the claim is made. A complete list of fields is given in the Annex.

### **Suggested Evidence:**

The evidence of eligibility, activities and outputs should be set out within the Business Plan and agreed with WEFO. Evidence will need to be provided of the SME status of every enterprise receiving support.

ERDF supported enterprises can use the model declaration form in the EC SME user guide to establish SME status:

<http://ec.europa.eu/DocsRoom/documents/10109/attachments/1/translations/en/renditions/pdf> Alternatively, evidence might come from company accounts; companies house records; databases such as MINT; cross-reference to other information held by WG or in the public domain etc.

Evidence should be provided with details of the supported enterprise's activities prior to the support, details of the support activities undertaken and how these relate to the outputs and results.

An example of appropriate evidence will be signed time sheets that provide detail of the activities undertaken and the number of hours of assistance.

## **Number of new enterprises supported**

Number of enterprises created after receiving financial aid, innovation advice or support from ERDF or ERDF financed facility.

The created enterprise should not have existed prior to Structural Fund activity.

An enterprise will not become new if only its legal form changes.

The survival of created enterprises should be considered as part of the evaluation.

### **Unit:**

Enterprises

### **Data Requirements:**

Data on all enterprises supported should be submitted when they are included on a claim. Evidence should be available when the claim is made. A complete list of fields is given in the Annex.

### **Suggested Evidence:**

Articles of Association; Memorandum of Understanding, Mission Statement, Business Plan.

Evidence of the first service delivery/goods provision – usually the date the first invoice is raised.

Date on which the business registers for VAT if appropriate.

Below the VAT threshold – date individuals involved register for Class 2 National Insurance contributions (must occur within 13 weeks of the start of trading).

In cases, where the above is not necessarily applicable, the start of the business may be determined by developing the balance sheet: investment in assets for the purpose of the business; or opening of a business bank account.



## **Number of enterprises cooperating with supported research institutions**

This is a measure of the scale of RD&I activity led by one or more ERDF funded research institutions.

The number of enterprises that cooperate with a research institution in an R D & I **project**.<sup>5</sup> Each research institution and each enterprise should be recorded separately against this indicator. Where one enterprise takes the lead and others are sub-contractors and the sub-contractor interacts with the research institution, the sub-contractor should be included.

At least one enterprise and one research institution participates in the R D & I project. One or more of the cooperating parties (research institution or enterprise) may receive the support but it must be conditional to the cooperation. Cooperation between the parties may be new or existing, but the R D & I project cannot have existed prior to ERDF funding. The cooperation should last at least for the duration of the R D & I project. Completion of the project will be when the project is brought to an end and there is a concrete deliverable that identifies the outcomes and how they relate to the activities and objectives.<sup>6</sup>

Enterprises may be counted only once during the life of a R D & I **project**. An Enterprise can be recorded more than once in an operation provided that they cooperate for the life of each individual R D & I project and the operation can show that each project has distinctively different aims and objectives. The origin of the enterprise does not matter.

### **Unit:**

Enterprises

### **Data Requirements:**

Enterprises should be claimed upon completion of a collaboration project.

For each RD project the following should be reported:

Lead research institution: name / identifier and address

All partner research institutions: name / identifier and address

Enterprise(s) supported (Annex A data)

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<sup>5</sup> For definition of a project and operation please see Glossary

<sup>6</sup> For more detail see 2014/C 198/01

Enterprises(s) participating (i.e. may not be receiving support) in RD project:  
name / identifier such as VAT no / address / SME status

Data on all enterprises supported should be submitted when they are included on a claim. Evidence should be available when the claim is made. A complete list of fields is given in the Annex.

**Suggested Evidence:**

Evidence should be included in the Business Plan and agreed with WEFO.

The evidence should be able to identify the immediate context and specific aims of the proposed cooperation, the activities to be undertaken and how they are expected to contribute to the anticipated outputs.

In addition to the enterprise data, details of the research institution should be provided with information with details of the specific expertise offered in relation to the cooperation activities.

This should be supported by a letter of agreement of cooperation or memorandum of understanding between the parties, which states the contribution of the enterprise and the research institution.

Details of cooperation activities that have been undertaken and how they link to the outputs and results should be provided upon completion of the project.

## **Number of improved research infrastructure facilities**

The number of *research* infrastructure facilities which have been improved directly as a result of ERDF.

### **Unit:**

Facilities

### **Suggested Evidence:**

This output should be recorded upon completion of works.

Business plan

Baseline evidence should be provided prior to any activity

For physical infrastructure:

Building specifications (BREEAM excellent building standard); floor plans; planning consent; environmental impact study (where infrastructure is or includes new or improved building), procurement documents, tender report, signed contract of works, completion certificate.

Other Research Infrastructure:

Documents evidencing the procurement process; tender report; signed contract of works/installation, completion certificate.

Evaluation

## **Number of new researchers in supported entities**

This is a measure of the increase in research capacity, measured by the gross number of new working positions (that did not exist before structural fund intervention) to directly perform applied R, D and I activities, in full time equivalents (FTE).

The indicator focuses on employed personnel; the supported entity may be new or already existing. Employed means that there is a contract of employment. The post must be a consequence of project implementation or completion, be filled (vacant posts are not counted) and increase the total number of research jobs in the organisation. Support staff for R&D (i.e. jobs not directly involved in R&D activities) are not counted.

*Gross:* Not counting the origin of the jobholder as long as it directly contributes to the increase of total research jobs in the organisation.

Fixed term posts can be included as long as they are for the duration of an R D and I project. Posts must have been filled: if the employee has left before the end of a fixed term contract or from a permanent post, replacement researchers cannot be counted.

Zero hours contracts are excluded.

Research jobs created for different R D and I projects within an operation should be added up (provided that all projects receive support). This is not regarded as double counting, but is subject to the FTE definition.

### **Unit:**

FTE (contracted hours based on 30 hour week)

### **Data requirements:**

The gender of the researchers must be reported. Gender relates to the first post holder.

### **Suggested Evidence:**

Organogram of all personnel pre and post support

Job adverts, specifications and contracts of employment with details of contracted hours, whether fixed, temporary, part time or self-employed.

Proof of employment and payment of salary and other employer expenses for the period of employment.

Proof of existence of the post at the end of the project. Any other documents showing that these are researchers working directly on the projects supported by the operation.

## **Number of researchers working in improved research infrastructure facilities**

This is a measure of research activity within improved research infrastructure facilities.

Existing working positions in research infrastructure facilities that

(1) directly perform applied research activities<sup>7</sup> and

(2) directly affected by the support provided by the project<sup>8</sup>.

The posts must be filled (vacant posts are not counted) and are in FTE based upon 30 hours per week.. Support staff for R D and I (i.e. jobs not directly involved in R D and I activities) are not counted. If more researchers will be employed in the facilities as a consequence of the project, thus the numbers of research jobs increases, the new posts are included (see also “Number of new researchers in supported entities”). The facilities may be private or public.

The project must improve the facilities or quality of equipment, i.e. maintenance or replacement without quality increase is excluded.

There must be a contract of employment. Zero hours contracts are excluded.

### **Unit:**

FTE (contracted hours based on 30 hour week)

### **Data Requirements:**

The gender of the researchers must be reported. Gender relates to the first post holder.

### **Suggested Evidence:**

Job adverts, specifications and contracts of employment with details of contracted hours, whether fixed, temporary, part time or self-employed.

Proof of employment or existence of post at the end of the project or period of support.

The evidence should demonstrate how the role links to the infrastructure

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<sup>7</sup> As defined in Glossary

<sup>8</sup> This may be the operation

## Amount of research funding secured

The amount of research funding secured by beneficiaries includes:

1. the full value of research awards<sup>9</sup>, *and*
2. the amount of cash used as research match funding, either from the beneficiary or third parties. This should be recorded as 'match'.

### Unit:

£ GBP.

Where awards are made in € the ECB € / £ exchange rate adopted should be that at the time of the award.

### Data Requirements:

Source of Funding:

BIS Research Councils, the Royal Society, British Academy and The Royal Society of Edinburgh

UK-based charities

UK-based charities (open competitive process)

UK-based charities (other)

UK central government bodies, local authorities, health and hospital authorities

UK industry, commerce and public corporations

EU government bodies (awards only)

EU industry, commerce and public corporations (awards only)

EU other includes all research grants and contracts income (awards only)

Non-EU-based charities (open competitive process)

Non-EU industry,

Non-EU other

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<sup>9</sup> i.e. the legal right to receive aid

Other sources

**Type of Funding:**

Match £          Private (all non match) £

**Suggested Evidence:**

A research funding application associated with the award which outlines the proposed ERDF activities. Where the research application does not outline the proposed activities, a supporting statement should be provided to demonstrate how the funded research relates to the activities of the ERDF operation. This should be provided by the Principal Investigator or someone with equivalent academic expertise in the subject area.

Confirmation / contract from funder outlining the amount of award.

Where there are joint beneficiaries, HEIs should report the apportioned value of the award associated with their own institutional *activities*.

Where the award includes collaborations with organisations that are not ERDF funded beneficiaries, only the amount of the award attributable to the ERDF funded *activity* should be reported. The apportionment methodology should be agreed with WEFO prior to submission of any claim.



## Private investment matching public support in innovation or R&D projects

Total value of private contribution in supported innovation or R&D including non-eligible parts of the project.<sup>10</sup> Investment is the cumulative amount to the end of the project.

Support can be financial or non-financial support. Financial support can be grant or non-grant support (loans, interest subsidy, credit guarantee, venture capital or other financial instrument).

Match and investment in-kind should be included if this is specified in a collaborative agreement and is auditable. In-kind contributions include contributions to the project from the non-academic collaborators (for example staff time, use of equipment and other resources, materials, provision of data etc.) as described in the project collaboration agreement.

### Unit:

£ GBP

### Data Requirements:

*Grant Support received £*

*Non Grant Financial support received £*

*Match Funding Y/N*

### Suggested Evidence:

Details of the form, nature and amount of the investment and how it has added to the project. In-kind contributions should be 'contractually explicit' i.e. the external partner should be aware of the financial values assumed for their contribution. In-kind contributions could for example include staff time, resources, materials, provision of data etc. (HESA, 2014).

Sign-off of the £ investment by (depending on the size of enterprise) the Managing Director, Financial Director, Operational Management or whoever was responsible for participation in the Structural Fund activity. Bank records showing transfer of funds.

Whoever signs should be familiar with, and able to express a knowledgeable opinion on, the activity.

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<sup>10</sup> [https://www.hesa.ac.uk/index.php?option=com\\_content&view=article&id=2964&ItemId=233](https://www.hesa.ac.uk/index.php?option=com_content&view=article&id=2964&ItemId=233) (HESA guidance on collaborative research)

## **Number of enterprises supported to introduce new to the market products**

The indicator measures the number of enterprises that have received support to develop a 'new to the market' product in *any* of its markets. This includes process innovation as long as the process contributes to the development of the 'new to market' product. Projects without the aim of developing a (new to market) product are excluded. If an enterprise introduces several products or receives support for several projects, it is still counted as one enterprise. In case of cooperation projects, the indicator measures all participating enterprises.

A product is new to the market if there is no other product available on a market<sup>11</sup> that offers the same functionality, or the technology that the new product uses is fundamentally different from the technology of already existing products. Products can be tangible or intangible (incl. services and processes).

If a product is new both to the market and to the firm, the enterprise should also be counted against both 'new to firm' and 'new to market' indicators.

Enterprises included in this indicator should also be recorded as receiving grants/financial/non-financial support.

While most classic innovations lead to products new to both the market and the firm, it is possible that the product is new to the market but not new to the firm, e.g. adapting an existing product to a new market without changing functionality.

### **Unit:**

Enterprises

### **Data Requirements:**

Data on all enterprises supported should be submitted when they are included on a claim. Evidence should be available when the claim is made. A complete list of fields is given in the Annex.

### **Suggested Evidence:**

Evidence should be explicitly agreed for each operation, based upon the following:

Record of a diagnostic of the enterprise's current activities that identifies a gap in a market and the activity that is required to develop a relevant new product or process.

Detailed documentary evidence of the innovation activities undertaken as a result of the support.

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<sup>11</sup> New to market does not mean that the product or process has to be new to all markets

## **Number of enterprises supported to introduce new to the firm products**

The indicator measures the number of enterprises that have received support to develop a '*new to the firm*' product. This includes process innovation as long as the process contributes to the development of the product. Projects without the aim of actually developing a (new to firm) product are excluded. If an enterprise introduces several products or receives support for several projects, it is still counted as one enterprise. In the case of cooperation projects, the indicator measures each participating enterprise.

A *product* is new to the firm if the enterprise did not produce a product with the same functionality or the production technology is fundamentally different from the technology of already produced products. An example of 'new to firm' might be the purchase/licensing of IP which is then used to improve the enterprises' products or processes.

Products can be tangible or intangible (incl. services and processes).

If a product is new both to the market and to the firm, the enterprise should be counted against both new to firm and new to market indicators.

Enterprises included in this indicator should also be recorded as receiving grants/financial / non-financial support and new enterprises.

While most classic innovations lead to products new both to the market and to the firm, it is possible that the product is new to the firm but not new to the market, e.g. certain technology transfers.

### **Unit:**

Enterprises

### **Data requirements:**

Data on all enterprises supported should be submitted when they are included on a claim. Evidence should be available when the claim is made. A complete list of fields is given in the Annex.

### **Suggested Evidence:**

Baseline diagnostic evidence at the start of the support to identify current enterprise activity and products and processes followed. Detailed documentary evidence of what changes in process and/or products have developed as a result of the support and activity of the project.

## **Employment increase in supported enterprises**

Number of gross new working positions in supported enterprises in full time equivalents (FTE).

There must be a contract of employment. FTE is based upon contracted hours and a 30 hour week . Zero hours contracts are excluded.

This is essentially a 'before-after' indicator which captures the part of the employment increase that is direct consequence of project completion (workers employed to implement the project are not counted). The positions need to be filled (vacant posts are not counted) *and increase the total number of jobs in the enterprise*. If total employment in the enterprise does not increase, the value is zero – it is regarded as realignment, not increase. Safeguarded etc. jobs are not included.

*Data on jobs created where there is no 'increase in the total number of jobs in the enterprise' should be recorded and used for evaluation.*

Gross: Not counting the origin of the jobholder as long as it directly contributes to the increase of total jobs in the organisation. The indicator should be used if the employment increase can plausibly be attributed to the support.

Durability: Jobs are expected to be permanent, i.e. last for a reasonably long period depending on industrial-technological characteristics; seasonal jobs should be recurring.

Figures of enterprises that went bankrupt are registered as a zero employment increase.

Timing: Data is collected before the project starts and up to 12 months post intervention.

### **Unit:**

FTE (contracted hours based on 30 hour week)

### **Data Requirements:**

The gender of the first post-holder must be reported.

Salary Bands (0-£14,999; £15,000 – £19,999; £20,000 - £24,999; £25,000 - £34,999; £35,000 and above.

### **Suggested Evidence:**

An increase in employment can be evidenced by self-declaration. ***The format of the self-declaration form should be agreed with WEFO and attached to the Monitoring and Evaluation Plan***, but should include details of the posts which have been created, that the increase was due to the ERDF intervention, include the salary band and gender of first post holder. The declaration should be signed by a director or senior manager and state their role.

## **Number of patents registered for products**

The number of patents for products, processes or services formally filed with the UK Patent Office or an equivalent office abroad, by assisted or financially supported enterprises.

### **Unit:**

Patents

### **Suggested Evidence:**

Detailed baseline evidence of enterprises' current activities and products, patents pending etc. at the start of the intervention.

Evidence of publication of patent application/ confirmation of registration number.

## **Number of pilot projects completed**

A project planned as trial designed to test a given approach for a limited group of beneficiaries over a limited period; intended to attract future activity in the field/discipline or sector<sup>12</sup>.

### **Unit:**

Pilots completed

### **Suggested Evidence:**

The data should be provided upon completion of the project.

Baseline evidence – proof of concept.

Cooperation agreement

Evidence of procurement process, technical specification for capacity of installation.

Evidence that installation has been completed and is operational.

Evaluation

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<sup>12</sup> DCLG ERDF 2007-13 Output Definitions

## **Enterprises adopting or improving equality and diversity strategies and monitoring systems**

Number of enterprises adopting a strategy, which outlines the key priorities for action by the employer and its staff to promote equality and diversity and challenge discrimination and monitoring progress against these priorities. The equality strategies and monitoring systems must have been adopted or improved as a result of Structural Fund assistance or financial support.

### **Unit:**

Enterprises

### **Data requirements:**

Data on all enterprises supported should be submitted when they are included on a claim. Evidence should be available when the claim is made. A complete list of fields is given in the Annex.

### **Suggested Evidence:**

For *newly formed enterprises* or those small enterprises that have to date not developed an Equal Opportunities Policy, the production of such a policy, specific to the enterprise, an organisation's equality and diversity policy and associated action and alongside a monitoring plan is acceptable.

Evidence of implementation through access to the specific Equal Opportunities Policy and monitoring plan, accompanied by written confirmation from the appropriate person (CEO, Manager of operation) of the adoption of the policy by the enterprise. Completion of at least one specific action listed.

For *established enterprises*, evidence of baseline with review of current position with regard to equality strategy and system for monitoring. Evidence of agreed 'improvement/s' to be made and of the action/s which support the improvement, accompanied by written confirmation from the appropriate person (CEO, Manager of operation) of the adoption of the improvement by the enterprise.

Examples of evidence demonstrating an improvement in an Equality Strategy can be found in the Cross Cutting Themes Guidance. Link:

<http://gov.wales/funding/eu-funds/2014-2020/applying/cross-cutting-guidance/?lang=en>

<http://gov.wales/funding/eu-funds/2014-2020/applying/cross-cutting-guidance/?skip=1&lang=cy>



## **Enterprises adopting or improving sustainable development strategies and monitoring systems.**

Number of enterprises adopting a strategy, which outlines the key priorities for action by the employer and its staff to promote sustainable development, and monitoring progress against these priorities.

### **Unit:**

Enterprises

### **Data requirements:**

Data on all enterprises supported should be submitted when they are included on a claim. Evidence should be available when the claim is made. A complete list of fields is given in the Annex.

### **Suggested Evidence:**

For newly formed enterprises or those small enterprises that have to date not developed a Sustainable Development Policy, the production of such a policy, specific to the enterprise, alongside a monitoring plan is acceptable.

Evidence of implementation through access to the specific Sustainable Development Policy and monitoring plan, accompanied by written confirmation from the appropriate person (CEO, Manager of operation) of the adoption of the policy by the enterprise.

For established enterprises, evidence of baseline with review of current position with regard to a sustainable development strategy and system for monitoring. Evidence of agreed 'improvement/s' to be made and of the action/s which support the improvement, accompanied by written confirmation from the appropriate person ( CEO, Manager of operation) of the adoption of the improvement by the enterprise.

Examples of evidence demonstrating an improvement in a Sustainable Development Strategy can be found in the Cross Cutting Themes Guidance.

Link: <http://gov.wales/funding/eu-funds/2014-2020/applying/cross-cutting-guidance/?lang=en>

<http://gov.wales/funding/eu-funds/2014-2020/applying/cross-cutting-guidance/?skip=1&lang=cy>

## **Annex A: Enterprise Data Requirements**

Current versions of the Enterprise micro-level database (PDF and Excel versions) can be found using the following links:

ENGLISH: <http://gov.wales/funding/eu-funds/2014-2020/delivering-your-project/erdf-indicators/?lang=en>

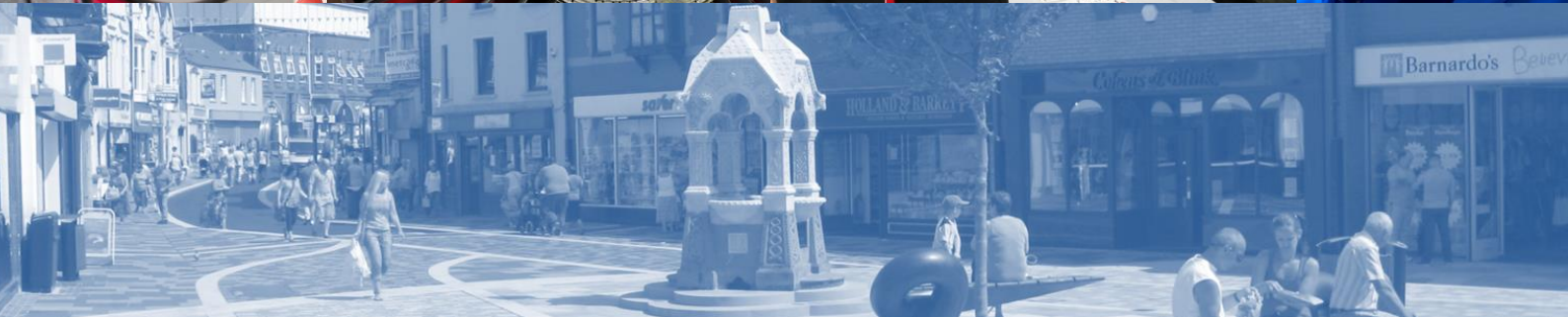
CYMRAEG: <http://gov.wales/funding/eu-funds/2014-2020/delivering-your-project/erdf-indicators/?skip=1&lang=cy>

## Version Control

Version 1.0 - First Published – April 1 <sup>st</sup>	
Page 8	<a href="mailto:ProjectInspectionVerificationTeam-Merthyr@Wales.GSI.Gov.UK">ProjectInspectionVerificationTeam-Merthyr@Wales.GSI.Gov.UK</a> changed to <a href="mailto:WEFOverifications@Wales.GSI.Gov.uk">WEFOverifications@Wales.GSI.Gov.uk</a>
Page 22	<i>“This value reported should exclude the funding used to match the ERDF grant at operation level.”</i> Removed from definition of Private investment matching public support in innovation or R&D projects.
Page 23	<i>“This includes process innovation as long as the process contributes to the development of the product. Projects without the aim of actually developing a product are excluded.”</i> Removed from definition of “Number of enterprises supported to introduce new to the market products”.
Page 24	<i>“This includes process innovation as long as the process contributes to the development of the product. Projects without the aim of actually developing a product are excluded.”</i> Removed from definition of “Number of enterprises supported to introduce new to the firm products”.

Version 1.2 March 2016		
Glossary		definition of financial support added definition of employee added updated guidance and links for SME definition definition of enterprise added definition of research institution added
Page 9		updated link to WEFO website
Enterprises receiving Grants	P10	clarification of enterprise count and updated guidance on evidence for SME status
Enterprises receiving non-financial support	P11	clarification of enterprise count and updated guidance on evidence for SME status Clarification of consultancy ('innovation advisory or support services')
Number of enterprises cooperating with supported research institutions	P14	clarification: all enterprises and research institutions should be counted against this indicator and when to claim against this indicator
Number of researchers working in improved research infrastructure facilities	P17	clarification (FTE, exclusion zero hours and requirement for contract of employment)
Amount of research funding secured	P20	clarification of indicator definition, exchange rate and suggested evidence
Private investment matching public support in innovation or R&D projects	P22	clarification on support (financial: grant / non-grant) and in-kind contributions
Number of enterprises supported to introduce new to the market products	P23	revised definition
Number of enterprises supported to introduce new to the firm products	P24	revised definition
Employment increase in supported enterprises	P25	clarification of definition and suggested evidence





For more information:

[www.gov.wales/eu-funding](http://www.gov.wales/eu-funding)

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Welsh Government