

Newsletter 25: 7th September 2007

This is part of a fortnightly series of newsletters that will help explain the process and progression towards the Convergence Programmes for Cornwall and the Isles of Scilly. The newsletters will contain the most up to date information about Convergence as it evolves over the coming months. Updated information will appear in bold blue type.

Dear Colleague

HEADLINE CHANGES TO THE CONVERGENCE OPERATIONAL PROGRAMME

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| Changes to the Operational Programme | The ongoing negotiations with the European Commission to agree the content of Cornwall and the Isles of Scilly's Convergence ERDF (European Regional Development Fund) Operational Programme have resulted in a number of changes to the Operational Programme. |
| Enterprise and Investment | The text describing the focus and activity of Priority 2 Enterprise and Investment has been clarified and €40m of land/property support has been amalgamated with the capital strand of Priority 2 from Priority 4 Unlocking the Economic Potential of Place. This strand of investment will be available across Cornwall and the Isles of Scilly. |
| Unlocking the Economic Potential of Place | The Placed Based Investment fund in Priority 4, Unlocking the Economic Potential of Place, has been transferred to Priority 2, as noted above. There are now two strands of activity in Priority 4: one for Camborne-Pool-Redruth and St Austell & the Clay Country; the second for five locations – Bodmin, Newquay, Falmouth/Penryn, Penzance/Isles of Scilly and Truro. Investment in these areas will be guided by Sustainable Integrated Development Strategies. |
| Linkages | To reinforce the links between Convergence Structural Funds, each Priority Axis now includes a section on its links with the European Social Fund (ESF) Convergence Framework for Cornwall and the Isles of Scilly. |
| Monitoring and evaluation | The European Commission requested more indicators to identify high value-added employment and businesses, and greater detail on Programme monitoring and evaluation. In response, a monitoring and evaluation plan will be produced including, where appropriate, arrangements to review the types of companies being supported and the jobs being created, with a view to understanding progress towards a knowledge-based economy. |



Private sector match-funding The new Convergence Regulations have changed the approach to the inclusion of private sector match funding in the financial tables of the Operational Programme – discussions are ongoing on this matter. This technicality will not reduce the vital role private sector investment will make to the success of the Programme, but will change the way it is accounted for.

Next steps These changes have been incorporated into a revised draft Operational Programme which will be submitted to the European Commission for further consideration later this month and made available on the South West Regional Development Agency and Objective One (Towards Convergence) websites.

Phil McVey
Head of European Programmes
South West Regional Development Agency

WHAT WE KNOW ABOUT CONVERGENCE

ESF Operational Programme approved The national ESF (European Social Fund) Operational Programme has now been agreed by the European Commission. The final version of the ESF Operational Programme can be found at www.esf.gov.uk.

National Strategic Reference Framework approved The UK's National Strategic Reference Framework (NSRF), detailing priorities and plans for Cohesion Policy 2007-13, has been approved by the European Commission. The NSRF describes how UK authorities plan to invest €9.9bn over seven years in line with the Lisbon Strategy for growth and jobs. The NSRF proposes 22 programmes, including Cornwall and the Isles of Scilly's Convergence Programmes which are expected to be agreed by the Commission in the autumn. More information is available at www.europa.eu/rapid/pressReleasesAction.do?reference=IP/07/1195&format=HTML&aged=0&language=EN&guiLanguage=en

Report on ERDF Convergence consultation A report collating responses to last year's consultation on the ERDF (European Regional Development Fund) Convergence Operational Programme has now been published. The responses informed the final draft of the Operational Programme which was submitted to the European Commission in May for negotiation. The consultation report can be found at www.objectiveone.com under 'Towards Convergence'.

Convergence ERDF Operational Programme submitted Negotiations to finalise the Convergence European Regional Development Fund (ERDF) Operational Programme, which outlines future ERDF investment in Cornwall and the Isles of Scilly, are expected to end in the autumn, allowing the Programme to 'go live'. The draft Operational Programme can be found at www.objectiveone.com under 'Towards Convergence'.

Management arrangements for Convergence ERDF The South West Regional Development Agency will carry out Managing Authority tasks for the ERDF Convergence Programme. A 'shadow' Programme Monitoring Committee (PMC) and 'shadow' Partnership Delivery Board (PDB) have been established.

Commissioning To achieve a smaller number of more strategic investments, some will be commissioned. The commissioning process is being developed by the Partnership Delivery Board and the Programme Monitoring Committee.

Match Funding	Public sector match funding for the ERDF Convergence Programme is expected to come from a combination of local, regional and national sources.												
ESF Operational Programme negotiations	The European Social Fund (ESF) Operational Programme for England 2007-2013 was submitted to the European Commission in May and has now been agreed. It includes a ring-fenced allocation of ESF investment and specific priorities for Cornwall and the Isles of Scilly. It can be downloaded from www.esf.gov.uk .												
ESF consultation & Government response	The Government's response to the consultation on the England ESF Programme (held 30/10/06 – 22/1/07) summarises stakeholders' responses, the Government's position and modifications made to the draft Operational Programme in light of stakeholders' views. It can be found at www.esf.gov.uk .												
Management arrangements for Convergence ESF	The Managing Authority for the ESF Programme in England will be the European Social Fund Division (ESFD) of the Department for Work and Pensions. Most of the delivery of the national Programme will take place at regional level through regional ESF Frameworks and committees. Cornwall and the Isles of Scilly will have its own Framework and committee.												
Convergence ESF Framework	The final European Social Fund (ESF) Framework for Cornwall and the Isles of Scilly, outlining more detailed plans for ESF investment in the region, can be found at www.swrsp.org.uk .												
Co-financing for ESF	Co-Financing Organisations' Plans will need to be submitted to Government Office for the South West by the end of September for approval by October.												
European investment in the Convergence Programmes	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 35%; text-align: center;">£</th> <th style="width: 35%; text-align: center;">€</th> </tr> </thead> <tbody> <tr> <td>ERDF</td> <td style="text-align: center;">c. £311.4 m</td> <td style="text-align: center;">c. €458 m</td> </tr> <tr> <td>ESF</td> <td style="text-align: center;">c. £133.3 m</td> <td style="text-align: center;">c. €196 m</td> </tr> <tr> <td>Total investment</td> <td style="text-align: center;">c. £444.7 m</td> <td style="text-align: center;">c. €654 m</td> </tr> </tbody> </table>		£	€	ERDF	c. £311.4 m	c. €458 m	ESF	c. £133.3 m	c. €196 m	Total investment	c. £444.7 m	c. €654 m
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	There is a 70:30 split between ERDF and ESF funding. In Objective One 75% was allocated to ERDF and 25% to ESF.												
The Objective One Programme	The Objective One Programme ran until 31 December 2006 and will be followed by Convergence Programmes for the period 2007-2013. Their purpose will be to speed up the economic development of Cornwall and the Isles of Scilly.												
Differences between Convergence and Objective One	<ul style="list-style-type: none"> • Convergence will consist only of ERDF and the ESF. • The rural and fisheries funds will become part of mainstream UK programmes with ring-fenced allocations for Cornwall and the Isles of Scilly. 												
NSRF published	The Convergence Programmes are underpinned by the National Strategic Reference Framework (NSRF) which outlines broad priorities, management arrangements and funding allocations for ERDF and ESF Programmes 2007-2013. It can be found at: www.dti.gov.uk/consultations/page28796.html and has now been approved by the European Commission.												
The role of Strategy and Action	Strategy and Action – the overarching economic regeneration strategy for Cornwall and the Isles of Scilly - informs the ERDF and ESF Convergence Programmes, which will not be able to do everything in Strategy and Action, but will be able to invest in some of it.												

Rural Programme	The draft Rural Development Programme for England (RDPE), outlining European Agricultural Fund for Rural Development (EAFRD) investment 2007 to 2013, has been submitted to the European Commission for negotiation. It can be found at www.defra.gov.uk/erdp/rdp07_13/index.htm .
Fisheries Programme	Work is underway in the Marine Fisheries Agency (MFA) to develop a European Fisheries Fund (EFF) Operational Programme which will be subject to consultation before approval by the EU. A 'Convergence' allocation will guarantee a level of funding for Cornwall and the Isles of Scilly.
Further information	The European Cohesion Policy Update covers all Programmes: www.southwestrda.org.uk/what-we-do/policy/european-funding-pos.shtm . Rural Programme: www.southwestrda.org.uk/what-we-do/regeneration/eafrd/introduction.shtm and www.defra.gov.uk under Rural Affairs.
The Lisbon Agenda	European and UK economic regeneration policy is increasingly being driven by the Lisbon Agenda where the EU set itself the goal of becoming the most competitive and dynamic knowledge based economy in the world, in response to intensified competition.
Lisbon targets	The Convergence Programmes will need to clearly show how they are contributing to the Lisbon Agenda – this will mean a significant increase in emphasis on business competitiveness and productivity, innovation and a more knowledge based economy. The draft Operational Programme submitted to the European Commission suggests a target of c. 80% of the Convergence Programmes to meet the objectives of the Lisbon Agenda.

WHAT WE DON'T KNOW ABOUT CONVERGENCE

What activities will be eligible for funding?	Detailed priorities for Cornwall and the Isles of Scilly are contained in the ERDF and ESF Operational Programmes, which are in the final stages of development and negotiation with the European Commission.
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More detailed information about Convergence, links to key organisations and websites can be found in the 'Towards Convergence' section of the Objective One website www.objectiveone.com