

Newsletter 23: 27th July 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.

Please note that the next newsletter will be circulated in one week's time, on Friday 3 August, and following a break over the summer fortnightly issues will resume on Friday 7 September.

Dear Colleague

NEGOTIATIONS ON THE DRAFT CONVERGENCE ERDF OPERATIONAL PROGRAMME: UPDATE FROM THE MANAGING AUTHORITY

Negotiations well under way

Negotiations with the European Commission on the draft Convergence European Regional Development Fund Operational Programme are now well under way. In the last newsletter we reported that detailed comments had been received from the Commission and that an Operational Programme Task and Finish Group were developing the partnership response. That provided a basis on which to enter negotiations with the Commission and the first formal meeting took place in Brussels last week.

Operational Programme to be refined

Following the meeting there is work to be done to update the Operational Programme in response to Commission queries around, for example, coordination within and between Programmes and clarifying links between the baseline data, programme strategy and priority axes for investment. Further, the Commission is seeking clearer spatial or thematic targeting and an indication of any major projects that may be delivered during the life of the Programme.

Partnership Delivery Board to meet

These issues will be explored in detail by the Partnership Delivery Board when it meets next week. Alongside that, it will be reflecting on the outcome of the commissioning workshop which was held last month with a view to putting commissioning teams in place to develop potential investments to be delivered early in the life of the Convergence Programme. We will provide more information through this newsletter after the Partnership Delivery Board meets next week.

**Phil McVey
Head of European Programmes
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WHAT WE KNOW ABOUT CONVERGENCE

Report on ERDF Convergence consultation published	A report collating responses to the 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. The report can be found at www.objectiveone.com under 'Towards Convergence'.
Convergence ERDF Operational Programme submitted	The Convergence European Regional Development Fund (ERDF) Operational Programme, which outlines future ERDF investment in Cornwall and the Isles of Scilly, has been accepted by the European Commission. Negotiations have begun and are expected to end in the autumn, allowing the Programme to 'go live'. The Operational Programme can be found at www.objectiveone.com under 'Towards Convergence'.
Convergence ERDF consultation	A report on last year's ERDF Convergence Operational Programme consultation will be published in due course. Further information can be found at www.southwestrda.org.uk/what-we-do/policy/consultations.shtm.
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 is expected to be agreed by the autumn. 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.
Convergence ESF Framework	The final European Social Fund (ESF) Framework for Cornwall and the Isles of Scilly 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.
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 though regional ESF Frameworks and committees. Cornwall and the Isles of Scilly will have its own Framework and committee.

European investment in the Convergence Programmes	£	€
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

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

- 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.

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 in summer 2007 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.

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