

Newsletter 18: 11th May 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

THE ENVIRONMENT AS AN ECONOMIC DRIVER

Building on Objective One

A sustainable approach to economic regeneration will ensure the integration of economic prosperity with environmental protection and social equity - economic development need not be at the expense of the environment. This has been championed in the Objective One Programme through the use of the environment as an economic driver - identifying the value of the environment to business including: the use of energy and water and the management of waste; new business sectors whether driven by consumer demand or regulation; and the importance of high environmental quality in the location of businesses such as tourism.

New impetus for tackling climate change

The inter-relationships between the economy and the environment have been brought into sharper relief by the Stern report and the broad vision for 'One Planet Living.' As Stern makes clear, investment now to tackle climate change makes economic sense both in the short, and as importantly, the long term.

Investing in the drivers of a low carbon economy

This agenda - the drive for a low carbon economy - is neither narrow nor single track, as Stephen Warman of Natural England's Strategy & Environmental Futures Team explains.

"Protecting our natural resources and tackling climate change are clearly intertwined - using Convergence to accelerate investment in the drivers of a low carbon economy will clearly mobilise much needed change and help deliver the associated economic advantages for Cornwall and the Isles of Scilly."

Business opportunities

The mission of a low carbon economy is therefore shorthand for low greenhouse gas emissions, a high level of resource conservation and sustainable waste management. This in itself presents both immediate economic productivity gains and a host of business opportunities for the future.



Themes working together

The Convergence Programmes present a particular set of opportunities to meet these challenges across all their complementary investment themes of: R&D and business innovation; enhancing enterprise and improving productivity levels across the business base; the provision of infrastructure for a modern economy; supporting people to realise their full potential in the economy; unlocking the economic potential of place; and the development of an inclusive and environmentally smart business mode.

Carleen Kelemen

Director

Objective One Partnership for Cornwall and the Isles of Scilly

UPDATE FROM THE MANAGING AUTHORITY

Private sector engagement

The engagement of the private sector in the Objective One Programme has been a role model and we want to ensure that thriving businesses will also be at the heart of the Convergence Programme.

Match-funding

One important feature that we have now settled for Convergence is the ability of the private sector to match-fund ERDF investments. I am pleased to say that it has been agreed that private sector match-funding will be included in the Operational Programme – something that was very much called for in the consultation. The exact details will be cleared during negotiations with the European Commission, and we will share those details as soon as we know more.

Cornwall Business Partnership

Working with the Cornwall Business Partnership (CBP) we will also ensure that business is fully engaged in the Convergence Programme at a strategic and delivery level. We will soon be meeting with the CBP to discuss this and will be able to say more in future newsletters.

Phil McVey

Head of European Programmes

South West Regional Development Agency

WHAT WE KNOW ABOUT CONVERGENCE

Next steps for the ERDF Operational Programme	The final Operational Programme is expected to be submitted to the Communities and Local Government Department in May. It will then be submitted to the European Commission and the detail will be negotiated during the summer of 2007, allowing the Programme to 'go live' in the autumn.
Match Funding	Public sector match funding for the ERDF Convergence Programme is expected to come from a combination of local, regional and national sources.
ERDF Convergence consultation	The consultation on the draft European Regional Development Fund (ERDF) Convergence Operational Programme for Cornwall and the Isles of Scilly was launched on 20 November 2006 and ran until 16 February 2007. Responses were made to the South West Regional Development Agency who will publish a consultation report in due course. Further information can be found at www.southwestrda.org.uk/european-programmes .
Management arrangements for Convergence ERDF	<p>The South West RDA will carry out the Managing Authority tasks for the ERDF Convergence Programme. Details of the management and delivery arrangements have yet to be finalised; further information will be contained within the ERDF Operational Programme. Partners have agreed the overall governance structure and a 'shadow' Programme Monitoring Committee (PMC) met on 12 April 2007.</p> <p>For Objective One, the Managing Authority for ERDF, ESF and EAGGF has been Government Office for the South West and the Marine Fisheries Agency for FIFG.</p>
What will commissioning look like in the Convergence Programme?	<p>The Convergence Programme aims to make a smaller number of more strategic investments than the Objective One Programme. To achieve this some investments will be commissioned. What these investments will be, how much they will cost and details of the commissioning process are being developed.</p> <p>A Partnership Delivery Board (PDB) has been established and will work with the PMC to develop ways of delivering the ERDF Convergence Programme, including how commissioning will work. The PDB has agreed that commissioning teams are needed to identify and work-up the major, early projects that will give the Programme a good start in the autumn, as well as to work on areas such as ICT where more detail is required before investments can be made.</p> <p>More detailed information can be found in Newsletter 17, in the Towards Convergence section of the Objective One website, www.objectiveone.com.</p>
ESF Operational Programme submitted	The ESF Operational Programme for England 2007-2013 has been submitted to the European Commission by the Department for Work & Pensions and is expected to be agreed by autumn 2007. It can be downloaded from www.esf.gov.uk .
ESF consultation and next steps	The consultation on the England ESF Programme 2007-13 ran from 30 October 2006 to 22 January 2007, co-ordinated by the Department for Work and Pensions.

Government response to ESF consultation published

On 4 May 2007 the Government's response to the consultation on the England ESF Programme (held 30/10/06 – 22/1/07) was published. It summarises stakeholders' responses to the consultation and sets out the Government's position on the main issues raised. It also indicates the modifications made to the draft Operational Programme in the light of stakeholders' views. The response and information about the next steps can be found at www.esf.gov.uk.

Electronic consultation on draft ESF Frameworks

The South West Regional Skills Partnership (SWRSP) is developing two ESF Frameworks to ensure regional ESF investment complements regional priorities, one for Cornwall and the Isles of Scilly, the other for the rest of the South West. Draft Frameworks have been prepared and the SWRSP is holding an electronic consultation to gather views on their content.

Responses to the consultation should be emailed to swresf@lsc.gov.uk before the closing date which is 4PM on FRIDAY 1 JUNE 2007.

The Frameworks and further information about the consultation can be found at www.swrsp.org.uk.

Next steps for ESF Frameworks

Consultation responses will be considered by the sub-groups developing the ESF Frameworks and taken into account when producing the final Frameworks.

Management arrangements for Convergence ESF

The Managing Authority for the ESF Programme in England 2007-13 will be the European Social Fund Division (ESFD) of the Department for Work and Pensions, overseen at a national level by a Programme Monitoring Committee. Most of the delivery of the national Programme will take place at regional level. The Regional Skills Partnerships have a leading role in the development of regional ESF Frameworks. The Convergence area of Cornwall and the Isles of Scilly will have its own framework and committee.

NSRF published

On 23 October 2006 the Government published its response to the consultation on the National Strategic Reference Framework (NSRF), outlining broad priorities, management arrangements and funding allocations for ERDF and ESF Programmes 2007-2013. Further information will be contained in the ERDF Convergence Operational Programme. More information can be found at: www.dti.gov.uk/consultations/page28796.html.

What is the budget for Convergence?

European investment in the Convergence Programmes will be as follows:

	£	€
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

The government proposes a 70:30 split between ERDF and ESF funding. In Objective One 75% was allocated to ERDF and 25% to ESF.

The current Objective One Programme

The investment cycle of the Objective One Programme ran until 31 December 2006. This will be followed by European Regional Development Fund (ERDF) and European Social Fund (ESF) Convergence Programmes for the period 2007-2013 – this was decided when the EU budget was agreed in December 2005. The purpose of the Convergence Programmes will be to speed up the economic development of Cornwall and the Isles of Scilly.

The role of Strategy and Action	Strategy and Action – the overarching economic regeneration strategy for Cornwall and the Isles of Scilly - will inform the ERDF and ESF Convergence Programmes. The Convergence Programmes will not be able to do everything that is included in Strategy and Action. They will be able to invest in some of it.
Convergence only ERDF and ESF	There will be a number of differences between the Objective One Programme and the Convergence Programmes.
Rural and fish part of mainstream programmes	<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, but with ring-fenced allocations for Cornwall and the Isles of Scilly.
More information about the fisheries and rural programmes	<p>Further information about the fisheries programme can be found in the South West Regional Development Agency’s ‘European Cohesion Policy Update’ at www.southwestrda.org.uk/what-we-do/policy/european-funding-pos.shtm.</p> <p>More information about the Rural Development Programme for England 2007-2013 and the Regional Implementation Plan is available at www.southwestrda.org.uk/what-we-do/regeneration/eafrd/introduction.shtm and www.defra.gov.uk under Rural Affairs.</p> <p>The Objective One website www.objectiveone.com also contains additional information in the ‘Towards Convergence’ section.</p>
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. It has been written by the EU and Member States in response to intensified competition from around the world.
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. There will be a target of at least 60% 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?	The NSRF outlines broad priorities for ERDF and ESF in the UK, and detailed priorities for Cornwall and the Isles of Scilly will be contained in the ERDF and ESF Operational Programmes, which are in the final stages of development.
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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