

Working Towards the Convergence Programmes

Newsletter 3: 20th October 2006

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 blue.

Introduction

Dear Colleague

progress

There is increasingly good evidence that since 2000 the economy of Cornwall and the Isles of Scilly has strengthened significantly. This is particularly true in rates of improvement of wealth creation and when compared with other rural areas within the South West.

Importantly this has reversed a period of comparative economic decline. The Objective One Programme, along with other public sector investment, has undoubtedly played a key role in this.

challenge

However, earnings per person remain below the national average and wealth creation per head of population is still low enough to mean that we qualify for Convergence. Although job creation has been strong these jobs tend to be in lower value sectors and a sizeable number of people remain outside the labour market.

The challenge is now to accelerate the economic regeneration process with a clear and emphatic focus on the quality of jobs and new starts and increasing the productivity of the economy as a whole.

opportunity

The recent improvements in the economy provide the platform to move towards a sustainable knowledge based economy. Emphasis will need to be on

- Higher levels of economic success
- The Combined Universities in Cornwall with a strong emphasis on research and development and knowledge exchange with business
- Greater levels of connectivity to ensure global reach for ideas and markets; and
- Communities where everyone is given the opportunity of a sustainable and positive future

It is very likely that the forthcoming Convergence programmes will be the last substantive European support and must therefore be used in a targeted and focussed way to ensure that they play their role in transforming the economy.

Yours sincerely

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20th October 2006

What we know about Convergence

<i>Updated Convergence timetable</i>	The Strategy & Action/Convergence timetable, circulated with this newsletter, has been updated to include more information about progression towards the Convergence Programmes.
<i>Consultation on Convergence</i>	There will be thirteen-week consultations on both the national ESF Programme, beginning in late October, and the ERDF Convergence Programme, starting in November. They will include a number of consultation events – details are yet to be confirmed.
<i>The current Objective One Programme</i>	The investment cycle of the Objective One Programme runs 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. The purpose of the Convergence programmes will be to speed up the economic development of Cornwall and the Isles of Scilly.
<i>The role of Strategy and Action</i>	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. There will be a number of differences between the Objective One Programme and the Convergence programmes.
<i>Convergence only ERDF and ESF</i>	<ul style="list-style-type: none">• Convergence will consist only of ERDF and the ESF.• It looks as though the financial split between ERDF and ESF could be as high as 50:50.
<i>Rural and fish part of mainstream programmes</i>	<ul style="list-style-type: none">• The rural and fisheries funds will become part of mainstream UK programmes.
<i>More information about the fisheries and rural programmes</i>	Further information about the fisheries programme can be found in the South West Regional Development Agency's Cohesion Newsletter at: http://www.southwestrda.org.uk/what-we-do/policy/european-funding-pos.shtm And more information about the rural programme, including the latest draft of the Regional Implementation Plan, is available at: www.southwestrda.org.uk/what-we-do/regeneration/european-agricultura.shtm
	The Objective One website www.objectiveone.com contains more information in the 'Towards Convergence' section.
<i>The Lisbon Agenda</i>	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.
<i>Lisbon targets</i>	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

Who will manage the Convergence Programmes?

Although we know that there will be ERDF and ESF Convergence programmes for Cornwall and the Isles of Scilly – the decision was made when the European Union's Member States agreed the EU budget in December 2005 – we still do not know the details of the programmes or the management arrangements. For Objective One, the role of Managing Authority for ERDF, ESF and EAGGF has been Government Office for the South West and the Marine Fisheries Agency for FIFG.

The Government's decisions are likely to be known in late October when the responses to the consultation on the National Strategic Reference Framework are published.

What is the budget for Convergence?

As yet the details of the exact splits at a UK regional level are unclear however it does appear, from initial estimates, that Cornwall and the Isles of Scilly will get a European budget of about one third more than the ERDF and ESF funds in the 2000-06 Objective One Programme.

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