

Working Towards the Convergence Programmes

Newsletter 2: 5th 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

Convergence is an opportunity to build a world-class economy

South West RDA is delighted to be a leading partner in “Shaping the Convergence” programme for Cornwall and the Isles of Scilly. It is clear that the programme is another excellent opportunity for Cornwall and the Isles of Scilly together with the rest of the region to build a world-class, sustainable economy for the future. We have challenges ahead, but I’m sure all of these can be addressed.

with a focus on competitiveness, innovation and employment

The ERDF Convergence Programme is very different from the Objective One Programme and we need to take account of those differences. We need to respond to the Lisbon agenda, and ensure that our investment decisions are targeted where they will make the most difference to make businesses more competitive, encourage innovation and produce more and better jobs.

and economic growth within environmental limits.

We need to respond to the region’s aim to achieve economic growth within environmental limits – and Cornwall is ideally placed to make a major contribution to this aim with market driven fast-developing environmental sectors. Linked to this, the Convergence Programme will lead in responding to the challenge of Climate Change – both in adapting to the change and reducing our impact.

Developing delivery models that maximise the benefits of all funding streams.

To respond to these challenges, we will continue to develop delivery models that allow us to reap the maximum benefit from all the funds flowing to Cornwall and the Isles of Scilly. This will include Convergence ERDF, the national ESF programme, the new rural programme, the new fisheries programme and Territorial Cooperation. Whatever decisions are made about delivery mechanisms, there is a real determination to ensure the programmes work together in Cornwall, the Isles of Scilly and the wider region.

I look forward to working with you all to make the next seven years as successful as the last.

Regards

Phil McVey
Head of European Programmes
South West of England Regional Development Agency

5th October 2006

What we know about Convergence

Consultation on Convergence There will be a thirteen-week consultation on the ERDF and ESF Convergence programmes, beginning mid-October. This will include a number of consultation events – details are yet to be confirmed.

The current Objective One Programme 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.

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.

There will be a number of differences between the Objective One Programme and the Convergence programmes.

Convergence only ERDF and ESF

- 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.

Rural and fish part of mainstream programmes

- The rural and fisheries funds will become part of mainstream UK programmes.

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

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 mid 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 information available

More detailed information, links to key organisations and websites can be found in the 'Towards Convergence' section of the Objective One website www.objectiveone.com

What we know about the European Fisheries Fund

Priorities for the European Fisheries Fund 2007-2013

FIFG (Financial Instrument for Fisheries Guidance) will be replaced by the European Fisheries Fund (EFF) which has five priority axes:

Axis 1 – decommissioning and fleet restructuring/effort management measures. Professional skills development, retraining out of fishing, early departure and early retirement.

Axis 2 – Investment in aquaculture and inland fishing, with consideration for the environment, safety, working conditions and public and animal health. Also processing and marketing.

Axis 3 – Measures of common interest (funding usually outside private enterprise), protecting and developing the marine environment, common facilities (ports), promotion and development of new markets and other collective actions with wider benefits. Pilot projects and modification of vessels for alternative uses.

Axis 4 – Sustainable development and improvements to the quality of life in identified fishing areas. Maintain economic and social prosperity, maintain and develop jobs, promote the equality of the coastal environment and to promote cooperation between fisheries areas.

Axis 5 – Technical assistance

Role of the RDA in the EFF programme

The RDA will, with the Marine Fisheries Agency, have a key role in developing the regional approach to the EFF. This will be a commissioned programme with good practice from Cornwall rolled out to the rest of the South West Region and vice versa.

Shaping the EFF strategy in the South West and Cornwall

The RDA has held the first meeting of the EFF Strategy Board along with the MFA - this is a regional board but has ample representation from Cornish Fisheries interests. The Board has reviewed what worked and did not work with FIFG and explored using the Cornish Strategy as a basis for developing a regional approach. Another meeting will be held in late November.

Further information

Some further information about the EFF Programme can be found in the 'Towards Convergence' section of the Objective One website.

What we don't know about the European Fisheries Fund

What is the budget for EFF? We still do not know the exact amount of money available for Cornwall and the Isles of Scilly, as this is dependent on negotiations between the devolved nations (Wales, Scotland and Northern Ireland).

We do not know if Defra will limit the EFF, through reduced intervention rates or choosing not to take up certain measures, such as replacement engines or tie up schemes.

What we know about the Rural Development Programme

Rural investment 2007-2013 Work is underway within the South West to develop a Regional Implementation Plan to guide delivery of the next Rural Development Programme 2007 - 2013. This plan will show the priorities, delivery and alignment with other funds for EAFRD (European Agricultural Fund for Rural Development).

Environmental Stewardship at the heart of the rural programme We know Environmental Stewardship will be at the heart of the next Programme, with Entry Level Stewardship open to all farmers. The Programme will seek to strengthen the positive links between a high quality environment and sustainable prosperity, recognising the value of environmental assets to the wider health of the rural economy.

More information available To view the latest draft of the Regional Implementation Plan visit the EAFRD page on the RDA website: www.southwestrda.org.uk/what-we-do/regeneration/european-agricultura.shtm

What we don't know about the Rural Development Programme

What is the budget for the Rural Development Programme? Although the European Commission has finalised the allocations of rural development funding for Member States we do not know how much funding will be available for the South West. The EU Commission is currently negotiating a draft regulation on voluntary modulation which will form a key element of the funding package for the next England Programme. We do not expect to know finalised budgets until later in the year.

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