

Cornwall and Isles of Scilly Objective One Partnership
ENVIRONMENTAL SUSTAINABILITY: COMPARISON BETWEEN
1994-1999 AND 2000-2006 STRUCTURAL FUND PROGRAMMES



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1 INTRODUCTION

- 1.1 Roger Tym and Partners was appointed by the Cornwall and Isles of Scilly Objective One Partnership to undertake a study to explore the differences between the 1994 - 1999 South West Objective 5(b) Programme and the 2000- 2006 Cornwall and Isles of Scilly Objective One and South West Objective Two Programmes, in terms of environmental integration.
- 1.2 The study charts the extent to which the theme of environmental sustainability has been integrated into these Structural Fund Programmes and how and why approaches to environmental sustainability have progressed and developed during the transition from one programme period to the next. It is intended to provide both a record of achievement towards integrating environmental sustainability into Structural Fund Programmes and a platform of information for use in development of future Structural Fund/regional programmes.
- 1.3 The study has been tightly focused and undertaken through seven interviews with key stakeholders involved in the South West Objective 5(b) Programme and its transition to the current Objective One and Two Programmes. These are the Managing Authority at regional level (GOSW), Competent Environmental Authorities (CEAs - specifically Environment Agency), English Heritage, environmental facilitators in the preparations teams for the Single Programming Documents for the Programmes concerned and the former Director of the Cornwall and Isles of Scilly Objective One Partnership. Additionally key documents have been reviewed including the Single Programming Documents. Consultees and documents reviewed are listed in Appendix One.

The Context

- 1.4 The following paragraphs give a brief introduction to each of the three Programmes considered in this study, to provide the context for the specific consideration of environmental sustainability within each Programme.
- 1.5 The South West Objective 5(b) Programme covered Cornwall, the Isles of Scilly, large parts of rural Devon (West Devon, Torridge and North Devon) and part of West Somerset¹. It encompassed use of ERDF, ESF and EAGGF and had five priorities for activity, these being;
 - § SME and Business Development
 - § Tourism
 - § Agriculture
 - § Community Regeneration
 - § Environment
- 1.6 The total value of the Programme was 514.5 MECUS which, converting at current rates, gives an indicative programme value of £348million.
- 1.7 Both the Cornwall and Isles of Scilly Objective One and South West Objective Two Programmes are on a significantly larger financial scale to that of the Objective 5(b) Programme. They have a combined total of some £997 million.
- 1.8 The Cornwall and Isles of Scilly Objective One Programme covers the whole of Cornwall and the Isles of Scilly. It encompasses use of ERDF, ESF, EAGGF and FIGF, has a total value of about £730million and has five priorities:
 - § SME and Micro Business Support

¹ There was a separate Objective Two Programme for the Plymouth Area

- § Strategic investments
 - § Developing People
 - § Community Economic Development and Rural Structural Adjustment
 - § Regional Distinctiveness
- 1.9 It also has three cross cutting themes:
- § Environment
 - § Equal Opportunities
 - § Information Society
- 1.10 The South West Objective Two Programme covers the whole of North Devon, South Hams, Torridge and West Devon Districts together with five wards in Bristol, 15 wards in Plymouth, six wards in Torbay and eight wards in West Somerset. Further wards in Mid Devon, Plymouth, Torbay and West Somerset are identified as transitional areas. It encompasses use of ERDF and ESF, has a total value of some £267million and has three priorities:
- § Neighbourhood Renewal
 - § SME development, technology and innovation
 - § A better future for traditional economies
- 1.11 It also has the same three cross cutting themes as the Objective One Programme.

Format of Report

- 1.12 The remainder of this report is set out in three sections:
- § Section Two reviews the environmental component of the South West Objective 5(b) Programme and highlights environmental issues that emerged from Programme activity, to drive the process of change during the transition to the current Objective One and Two Programmes
 - § Section Three reviews the environmental component of the Cornwall and Isles of Scilly Objective One and South West Objective Two Programmes, the factors driving the integration of environmental sustainability into the Programmes and how these have addressed environmental concerns experienced in the Objective 5(b) Programme
 - § Section Four draws some conclusions from this in terms of environmental benefits and challenges that may remain

2 THE ENVIRONMENT IN THE SOUTH WEST OBJECTIVE 5(B) PROGRAMME

The South West Objective 5(b) Single Programming Document

- 2.1 The South West Objective 5(b) Single Programming Document (SPD) 1994 - 1999 set out an environmental profile. Environmental facilitators from both Cornwall County Council and Devon County Council were active in the preparation of the profile. This reviewed the natural and built environmental qualities of the Programme area and identified some environmental issues such as extensive derelict and contaminated land and development pressures on the coast. It set out a number of strengths and weaknesses, which were then taken forward into an overall analysis from which the strategy of the Objective 5(b) Programme was developed.
- 2.2 The strengths and weaknesses identified were largely based on physical environmental issues. When taken through to the key issues for strategy development, the environment was identified as a key quality on which significant economic activity depended. There was an implied need for maintenance of environmental quality (with an assumption that this was partly carried out by the farming community and subject to threat if the agricultural sector declined further).
- 2.3 A strategic objective was identified *'to maintain and improve the Region's outstanding environment to ensure that it remains a major economic asset, with the need to develop commercial opportunities balanced against the long term responsibility to improve environmental quality'*. This supported an overall strategic aim for the programme which included a clause *'.....whilst conserving the environmental quality of the region as a key resource'²*.
- 2.4 The strategic objective for the environment was then actioned by a strategic priority for environmental management that had four measures:
- § Measure 5.1: Protection and Enhancement of the Environment (funded through EAGGF), targeted on maintaining and enhancing areas of high scenic, heritage and scientific value
 - § Measure 5.2: Energy (funded through EAGGF) focused on generating energy from alternative sources by the agricultural industry
 - § Measure 5.3: Restoration and Environmental Initiatives (funded through ERDF) focused on rehabilitating derelict and contaminated land
 - § Measure 5.4: Training for Environmental Management (funded through ESF) to enhance the skills of people working in the environmental field such as countryside management.
- 2.5 The environment was therefore incorporated as a vertical measure in the Objective 5(b) Programme. Other priorities and measures did not include any environmental content. This approach was built on lessons from the previous programme where the environment had not been a specific priority but had principally focused on environmental improvements and been incorporated into business development and tourism priorities. It was considered that the priority in the 1994 - 1999 Programme *'...is wider, fully recognising the importance of the environment to the economy and incorporating additional actions in relation to training and management'*. A view from consultations also suggested that, by having an environmental priority, environmental

² The full strategic aim reads 'to reduce the disparities between the 5(b) area and the EU as a whole by the achieving of above average employment and income growth, through an economic development strategy focusing on the regions SMEs, by increasing business competitiveness and assisting diversification within declining industries, while conserving the environmental quality of the region as a key resource'.

activity was in some way contained and controlled within the Programme as it was perceived as a possible threat to economic regeneration activity at that time.

Environmental Sustainability

- 2.6 As well as developing an environmental profile leading into development of the strategy, an environmental appraisal of the overall strategy was also undertaken to encourage sustainable development with the objective *'we should hand on to the next generation an environment no less rich than the one we ourselves inherited'*. Discussion with the European Commission by an environmental facilitator during preparation of the Objective 5(b) Single Programming Document (SPD) suggested that DG Environment was interested in both vertical and horizontal integration and an environmental matrix was therefore developed as one way (as seen by the environmental facilitators) of taking a more horizontal view of environmental integration.
- 2.7 The environmental matrix was used to assess the potential impact of the proposed priorities and measures in the Programme in relation to protection of the asset base, reversal of degradation and pollution, promotion of positive and sustainable management and increased business awareness and opportunity. The environmental matrix identified whether the impact was likely to be positive, negative or whether it was uncertain; and also whether preventative measures could be taken.
- 2.8 The intention, by the environmental facilitators, was that the environmental matrix would be elaborated as the programme developed and projects would be assessed at application stage, against the environmental goals. However, it is not clear that the environmental matrix was used subsequently. A scoring process was introduced for the appraisal of projects. Projects in the environmental priority could score additional points against an environment heading in the scoring criteria. Projects in other priorities would not be scored against this heading although they could be penalised for having an adverse environmental impact. Assessment of environmental considerations for 'non environment' priority projects related to an assessment of negative impacts only. Thus there was no review of environmental benefits or environmental sustainability across all project activity.

Environmental Opportunities and Issues in the Objective 5(b) Programme

- 2.9 The presence of the environmental priority encouraged a number of environmental projects to come forward, often related to tourism activity or to town and village centre improvements. Examples included the Mineral Tramways Project, several environmental management and improvement projects by the National Trust e.g. on the Lizard peninsular and around St Just in Penwith and, towards the end of the Programme period, a significant contribution towards the Eden Project.
- 2.10 However a number of concerns have been expressed by key stakeholders about the lack of comprehensive or co-ordinated environmental input into the Objective 5(b) Programme focusing around the following areas:
- § The view of 'environment' was a narrow one, focusing on the physical environment and maintaining this as an environmental asset underpinning economic activity such as tourism but not including other environmental opportunities. Consultees noted that some environmental projects found problems in identifying economic outputs as required by the Programme (e.g. visitor numbers)
 - § There was a strong reliance placed on the planning system to pick up issues of environmental consents and check these were in place when project funding applications were made. However, CEA representatives indicated problems with reconciliation between planning and funding processes, where regulatory issues

were not resolved early enough and environmental risk not effectively considered³. Additionally issues of funding approval being given prior to planning approval were identified by some stakeholders. This caused tension and generated pressure on determination of environmental consents to ensure that grant assistance was not lost

- § Whilst the Objective 5(b) Programme did have a scoring system in place, there was no application of environmental benefit criteria in the scoring system for projects outside the environmental priority. There was no means of scoring environmental benefits or considering any issues around environmental sustainability across all projects (and therefore contributing to monitoring of the environmental matrix in the Objective 5(b) SPD). It also meant that there was no Programme encouragement of environmental sustainability as an overall principle
- § In retrospect, the Objective 5(b) Programme was seen much more as a spending programme rather than a strategic programme. The emphasis was on achieving spend and this was particularly so in the final years of the Programme period. Projects were developed in isolation from the Programme and it was entirely feasible for project applications to be made, where no contact had been made with the Programme Secretariat and the project was unknown before its submission. This did not aid the process of ensuring consideration was given to environmental risks and that appropriate environmental consents had been secured

Transition to the Objective One and Two Programmes

- 2.11 The need to address these issues was a key driver behind development of the environmental sustainability concept in the next round of Structural Fund programmes for the South West region, together with the changing requirements of the Structural Fund regulations, which also laid great emphasis on the environmental sustainability concept. The development of the SPDs for the next round of Structural Funds was an important stage in addressing these concerns.
- 2.12 Preparation of the SPDs for the Cornwall and Isles of Scilly Objective One and the South West Objective Two Programmes began in 1998/9 where an early insight from discussions with and presentations by EC officials emphasised the importance of environmental sustainability as a key driver for the next programmes. It coincided with several other factors:
 - § local views, particularly from key environmental stakeholders (the CEAs and environmental facilitators involved in preparation of the environmental profile of the Objective 5(b) SPD) to improve on the environmental performance of the Objective 5(b) Programme (addressing the issues outlined above)
 - § the work of the South West Regional Development Agency (SW RDA) Preparation Team's work on developing the first Regional Economic Strategy and the concept of the environment as an economic driver within that, together with a desire to align SPD and RES priorities
 - § a stronger national policy line in support of environmental issues and European policy as a result of the change of government in 1997
 - § development of a Service Level Agreement between the then Department of Environment Transport and the Regions and three national environmental organisations (the Environment Agency, English Nature and the Countryside Agency) to act as 'Competent Environment Authorities' on its behalf in the forthcoming Structural Fund round

³ Issues of funding approval being given prior to planning approval were also identified in discussions, exacerbating this problem.

- 2.13 The circumstances at the point of preparation of the SPDs for the next round of Structural Funds were therefore much more in favour of integration of environmental sustainability than had been the case for the Objective 5(b) Programme, both in terms of "carrots" (national policy, local/regional desire to improve environmental performance) and "sticks" (EU Structural Fund Regulations). This meant that local environmental organisations' intentions to build a stronger environmental element into the next Structural Fund programmes through the SPDs met with much greater support from the Programme Managing Authority regionally and the local Programme Partnerships, than had been the case at the time of preparation of the Objective 5(b) Programme.

3 ENVIRONMENTAL SUSTAINABILITY IN THE CORNWALL AND ISLES OF SCILLY OBJECTIVE ONE AND SOUTH WEST OBJECTIVE TWO PROGRAMMES

- 3.1 Work began on consideration of the successor programmes to the South West Objective 5(b) Programme in 1998/9⁴. An environmental facilitator, supported by an environmental steering group, drove preparation of the environmental sustainability content in each of the Cornwall and Isles Objective One and the South West Objective Two Programmes. Both facilitators were given a role, space and support to progress development of the environmental sustainability theme by their respective authorities (the County Councils). However, both found themselves needing to develop the local and emerging Programme partnerships' understanding of what an environmental sustainability cross cutting theme could contribute (taking it well beyond the compliance issue that had been a main consideration in the Objective 5(b) Programme).
- 3.2 The work to emerge from this was the development of an environmental profile in both SPDs together with the environmental sustainability cross cutting theme. Development of the environmental profile was used as a route to engage environmental partners in both Programme areas and develop their understanding and awareness of the environmental sustainability concept. Although the route to completing the environmental profile was different⁵ both environmental facilitators note the value of this participative approach in securing early engagement with environmental partners.
- 3.3 The development of the environment as an economic driver and the purpose of the environmental sustainability cross cutting theme is set out in the SPD for each Programme (with some further elaboration in the associated Programme Complement document for each Programme). The following paragraphs describe this in more detail for each Programme, together with issues and opportunities that helped to shape this.

Cornwall and Isles of Scilly Objective One Programme

- 3.4 Preparation for the Objective One Programme began in 1998 (even prior to the decision that Cornwall could be considered as a NUTS II region in its own right and therefore eligible for Objective One funding, which was made in the summer of 1998). Cornwall County Council initiated the activities of various task groups to contribute towards preparation of the SPD, of which the environment task group was one, with representation from local authorities, statutory agencies, NGOs and private sector interests. The environmental task group led on the development of strategic environmental objectives for the SPD and subsequently on the development of appraisal/scoring criteria and targets. Cornwall County Council also supported provision of a Programme team to coordinate preparation and production of the SPD and create a cohesive document.
- 3.5 From the perspective of the environment, the SPD sets out the importance of the environment as part of the Programme's mission⁶, and as one of its three strategic objectives⁷. This establishes a theme that continues throughout the SPD.

⁴ Work on the Objective One Programme commenced about six months in advance of the South West Objective Two Programme.

⁵ The Objective One Programme environmental profile was jointly prepared by the Environment Task Group, the Objective Two Programme brought in external consultancy support to assist in preparation of its environmental profile with the Environment Group.

⁶ 'to achieve a step change in the prosperity of Cornwall and Scilly, making it a place where people and communities have equal access to opportunities and to a quality of life which arise from the sustainable development of its economy and its environment and the enhancement of its distinctiveness'.

- 3.6 Section Four, the Environmental Profile, identifies the role of the environment as a key economic driver, a key part of the quality of life and a key contributor to economic and social wellbeing as well as providing business opportunities. The environmental profile also appraised the potential positive environmental impacts of each priority in terms of its overall global sustainability, likely use of natural resources and impact on local environmental quality (although some comments were noted on the complexity of the environmental matrix presented and a need to make the message as simple as possible in future). Overall, the environmental profile:
- § Draws together key environmental opportunities associated with Programme priorities and economic goals identifying where there is potential to deliver both environmental and economic gain
 - § Introduces the idea of sustainable development and the need for greater prosperity with less environmental damage
 - § Identifies environmental quality as a major factor in regional development and business competitiveness, with specific activities where funds should be made available to support better environmental performance and investment in business
- 3.7 From this an environmental aim was derived which seeks to '*actively integrate environmental issues into activities across the strategy and implementation of the Programme through the promotion and provision of support, the prioritisation of activities that explicitly address environmental issues and other opportunities provided by the Objective One Programme*'.
- 3.8 This clearly set out the notion of environmental sustainability as a cross cutting theme, in line with EC regulations⁸. The cross cutting theme is given greater detail through definition of operational objectives (Section 10 of the SPD). The Programme Complement then adds further detail to the operational objectives for the theme, principally by confirming outputs/results/impacts to be achieved and by allocating output targets by operational objective/priority activity/Programme measure.
- 3.9 The Objective One Programme therefore differs significantly from the previous Objective 5(b) Programme in that environmental sustainability is cross cutting across all Programme priorities and measures. However it is worth noting that an initial draft of the SPD did include the environment as a vertical priority because of its importance, but recognised that, as such, it lacked sufficient economic depth. As understanding of environmental sustainability developed and as the SPD evolved, this became the Regional Distinctiveness priority in the SPD with environmental sustainability firmly established as a cross cutting theme.
- 3.10 All projects are appraised and scored in relation to their environmental benefits and contribution towards achievement of environmental sustainability objectives. Up to 10% of the appraisal score of a project is for its contribution to the environmental theme. Initially the score only related to projects seeking ERDF funding. It now also applies to those seeking EAGGF and FIG. ESF is scoring separately through national scoring criteria. This approach is taken to facilitate the opportunity for projects to demonstrate what they can contribute by way of environmental benefits. Environmental compliance and consent issues are still addressed. However the environmental scoring process is focused on the contribution of a project to environmental sustainability, a much broader concept than that of compliance.

⁷ 'to protect and enhance the environment and cultural and economic opportunities of the distinctiveness of Cornwall and Scilly'

⁸ Some guidance was produced by the EC on developing an environmental sustainability theme although this was noted in discussion with key stakeholders as being fairly incomprehensible and unhelpful. Environmental facilitators developed what they considered to be a simple and operable approach to the theme.

South West Objective Two Programme

- 3.11 The South West Objective Two partnership was originally a lobbying partnership to secure Objective Two status for the South West region. Its move towards a potential delivery partnership brought it into SPD preparation work and the formation of an environmental steering group to guide preparation of the environmental content of the SPD. Discussion notes the considerable investment of time during the preparation process to working with the Objective Two partnership to develop knowledge and understanding of the opportunities of environmental sustainability (and away from it being considered a potential hurdle to overcome in order to achieve economic development).
- 3.12 As in the Objective One Programme, the SW Objective Two SPD also introduces the Environment in Section One as part of the overall mission of the Programme and its strategic objectives.
- 3.13 Section Four, the Environmental Profile, gives detailed information, identifying the Objective Two area as having many environmental strengths, challenges and opportunities. Environmental quality is identified as important for sustainable development. The section concludes with an economy and environment matrix, intended to link environmental opportunities with proposed Programme priorities.
- 3.14 A SWOT analysis then draws out some environmental elements and concludes:
- § The high quality physical environment is a key economic asset for tourism and the attraction of new investment
 - § There are opportunities to develop the business base in growth sectors and capitalising on quality of life aspects
 - § There are opportunities to develop environmentally related business activities such as food products and green tourism
 - § There is a need to address a negative environmental legacy
- 3.15 The Programme's overall mission and strategic objectives both incorporate an environmental component. The mission is to '*achieve significant and sustainable changein ways which deliver economic growth and greater social inclusion and which enhance the natural and built environment*'. Five strategic objectives are identified of which one is '*protect and enhance the environmental assets of the region*' as they support both traditional and new business sectors. The environment is identified as a cross cutting theme because it is a major economic asset.
- 3.16 The final element of the environmental trail through the SPD is in Section 10 on Cross Cutting Priorities. This sets out the detail for the Environmental Sustainability theme. It gives an environmental objective for the Programme - '*ensuring the South West Objective Two area's environments are of consistently high quality and positively contribute to economic prosperity and opportunities and thus provide the basis for a sustainable quality of life for its people*'. Five operational objectives flow from this.
- 3.17 Mechanisms are identified to support implementation of this theme. Key outputs, results and impacts expected to derive from the operational objectives are identified and quantified at theme level. The Programme Complement adds further detail by setting out potential activities for the cross cutting theme in relation to each Priority. Quantified output and result targets for the environmental theme are also identified by Priority and Measure
- 3.18 Project selection and appraisal criteria are given in the SPD. The environmental steering group initially proposed a numerical scoring system for appraising projects. A scoring matrix was devised which included noting if a project was having an adverse environmental impact in relation to criteria. This gave rise to extensive discussion within the partnership (because it implied marking down a project with a negative impact). Although extensive discussion within the Partnership was felt to have resolved

this as an issue, the Objective Two Partnership decided to go for a qualitative assessment process. There was initial concern by environmental stakeholders that this might lose the incentive for projects to make an environmental gain, it is reported that this has not been borne out in practice.

Implementing the Environmental Sustainability Cross Cutting Theme

- 3.19 As well as the stronger and more positive impetus given to development of environmental sustainability within Structural Fund Programmes post Objective 5(b), one further factor also played an important part in developing the environmental sustainability cross cutting theme and ensuring that it could be effectively implemented. This was the role of the CEAs as a consequence of their SLA with DETR (now ODPM/DEFRA), to advise on integration of environmental sustainability in development and delivery of the Structural Fund Programmes in the 2000 - 2006 period. For the CEAs this meant either providing the appropriate advice and guidance through their own staff or providing the capacity elsewhere in the Programme management structure.
- 3.20 In Cornwall the CEAs felt they lacked capacity directly to provide the amount of support they thought might be necessary and therefore looked at how else to provide this. Financial resources were secured by all three CEAs and Cornwall County Council to support the appointment of an Environmental Sustainability Theme Manager (ESTM). These resources were matched by technical assistance from the Programme itself, which enabled a second post of Environmental Sustainability Guidance Officer to be created. Additionally funding resources from English Heritage were secured and matched with technical assistance, to enable the establishment of an Historic Environment Guidance Officer post to provide additional environmental sustainability input in the context of the historic built environment. It is these posts, based in the Objective One Partnership Office, that have enabled the implementation of the environmental sustainability cross cutting theme to be effectively achieved. A similar process was employed in the South West Objective Two Programme where the CEAs, Devon County Council (and, at a later stage, SW RDA), together with technical assistance from the Programme itself, have supported one ESTM based with the GOSW Objective Two Programme Management Team.
- 3.21 Stakeholders note that, to some extent, responsibility for environmental sustainability was passed over to the ESTMs once they were in place, and the role of the environmental sustainability advisory groups reduced (with some loss of engagement with environmental partners noted). In the case of the Objective One Programme, a position paper prepared by the ESTM 18 months into the Programme for environmental partners was felt to amply demonstrate the environmental sustainability successes that were being achieved. More generally stakeholders indicate that, with the right people in post as ESTMs, leaving responsibility to them has not been an issue. Appropriate support is provided when required.
- 3.22 The relevance of the funding from the CEAs⁹ was also the signal that it gave to other partners at Programme level, of the significance and commitment being given by these environmental partners to the environmental sustainability cross cutting theme on a long term basis (as the funding was to buy advice and guidance over the whole Programme period). It was seen as a desire by the CEAs to work in partnership with others and it gave an impetus to the importance of environmental sustainability through action rather than words. It also ensured there was a capacity to deliver the

⁹ Formally, the CEAs do not include English Heritage. However EH has been important in the Objective One Programme in part funding the post of Historic Environment Guidance Officer within the Objective One Programme team.

environmental sustainability, which had not been the case in the Objective 5(b) Programme.

Programme Management

- 3.23 One further contributory factor to the ability to integrate environmental sustainability into the Objective One and Two Programmes was the different approach to Programme management in these two programmes as compared with the previous Objective 5(b) Programme. In hindsight, the Objective 5(b) Programme had been a spending programme with little strategic direction. The European Commission had been represented on the Objective 5(b) Programme Monitoring Committee (PMC) and there had been a significant emphasis on regulations and eligibility issues at PMC level. It had been possible for projects to come forward as applications which were completely unknown as potential projects to the Programme Secretariat prior to submission of an application.
- 3.24 The Objective One and Two Programmes are seen much more as investment rather than spend programmes, taking a more strategic view on project activity and with considerable project development support in place meaning that projects are known, discussed and developed, in advance of applications being made. The emphasis on local Programme Partnerships has also introduced a different level of local engagement with Programme management. This changed management culture is also identified, particularly by Programme Managing Authority representatives, as an important contributory factor to enabling the environmental sustainability theme to be integrated into Programme activity.

Benefits in Comparison to the South West Objective 5(b) Programme

- 3.25 Development of the environmental sustainability cross cutting theme in the Cornwall and Isles of Scilly Objective One and the South West Objective Two Programme was intended to address deficiencies of environmental integration in the South West Objective 5(b) Programme as well as meet EC Structural Fund Regulations. The perception of key stakeholders is that this has been more than met, by the way the environmental sustainability cross cutting theme has been developed and delivered.
- 3.26 The key benefits in comparison with the previous Objective 5(b) Programme are identified as:

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| <p>§ A completely different external climate at the time of SPD preparation, much more positive and receptive to environmental considerations, making it much easier to pursue the environmental sustainability concept. Changes since the SPDs were written e.g. growing issues of climate change impacts, have further supported the emphasis on environmental sustainability</p> <p>§ The use of a horizontal cross cutting theme rather than vertical priorities, making it easier to achieve environmental integration across all priorities and measures and ensure all projects respond to the environmental sustainability theme</p> <p>§ A demonstration that environmental sustainability can be effectively integrated into project development and appraisal processes</p> <p>§ Use of a project appraisal system that allows project applicants to demonstrate the contribution that a project will make to environmental sustainability but does not penalise them for what cannot be achieved</p> <p>§ Availability of environmental sustainability advice and guidance at all stages through project development, avoiding problems of environmental consents not being in place, ensuring that projects are known in advance of applications being</p> |
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made and developing knowledge and understanding of environmental sustainability as an opportunity and benefit rather than a hurdle to overcome

- § A capacity to deliver environmental sustainability through CEA financial commitments, technical assistance funding and other financial resources supporting dedicated ESTM resources in both Programmes and which demonstrate a value to the Programmes in the long term rather than any specific and short term benefit to the funders
- § Availability of funding from CEAs, giving considerable weight to the integration of environmental sustainability in Programme development
- § Use of ESTM resources (a comment made in relation to the Objective One Programme specifically but likely to be relevant to both) to enable environmental organisations to take a proactive approach to project activity and target limited resources, where their own capacity would be too limited to effectively achieve this
- § Delivering good quality environmental benefits at a strategic level
- § Ensuring that EC Structural Fund requirements for environmental sustainability are met

4 ENVIRONMENTAL SUSTAINABILITY: BENEFITS AND CHALLENGES

4.1 In comparative terms the value attributed to environmental benefits is considerably greater in the Objective One and Two Programmes (at 42% of total costs of both Programmes taken together) as compared to 14% in Objective 5(b); see table below. Use of the environmental sustainability theme has therefore enabled a significantly higher level of environmental benefit to be achieved and accounted for, in financial terms.

	Vertical Projects Value £million	Horizontal Projects ¹⁰ Value £million	Percentage of Total Programme Costs
South West Objective 5(b) Programme	49 ¹¹		14
Cornwall and Isles of Scilly Objective One and South West Objective Two Programmes	66.8	352.8	42

4.2 Discussion with key stakeholders supports the view that the Objective One and Two Programmes have achieved a much higher level of environmental integration than the former Objective 5(b) Programme. As one consultee described it 'environmental sustainability is at a point on a journey'. That journey is still being made but the distance it has travelled since the Objective 5(b) Programme is considerable.

4.3 There is consensus on two important points contributing to the success of integrating environmental sustainability into the current Objective One and Two Programmes:

- § The development of the environmental sustainability theme owes much to the vision and tenacity of the two environmental facilitators involved in the preparation of the SPD's for both Programmes, in being able to see the opportunities for achieving environmental benefits in the context of an economic regeneration programme and then working with environmental advisory groups and local Programme partnerships, to put that vision in place as the environmental sustainability cross cutting theme. The ability of the environmental facilitators to understand the process of building the SPD and the environmental sustainability theme within it emphasises the importance of knowing what can be achieved and how this can be done
- § Implementation of the environmental sustainability cross cutting theme would not have been successful without the availability of ESTMs to provide a dedicated advice and guidance service to project applicants and have oversight of all projects at appraisal stage, to assess their contribution to environmental sustainability. The role of the CEAs in facilitating establishment of the ESTM posts was very important

¹⁰ Information taken from 'Effectiveness of EU Structural Funds in Delivering the Government's Environmental Objectives'. Fraser Associates in association with the Rural Development Company, for DEFRA, October 2005. The figures given are for financial commitments (to April 2005) to vertical and horizontal projects in current programmes.

¹¹ Figures for actual spend have not been found, see note in Appendix One. This figure is the budget allocated to the environmental priority

in demonstrating commitment to environmental sustainability principles as well as providing the practical mechanism for its implementation

- 4.4 Whilst all stakeholders identify the benefits of environmental integration in the Objective One and Two Programmes as compared with the previous Objective 5(b) Programme, there is also an acknowledgement that work still needs to be done to continue promoting the environmental sustainability theme within the existing Programmes and encouraging use of environmental sustainability principles in other Programme areas (for example in Local Authority Private Finance Initiatives through seeking use of BREEAM standards in building work).
- 4.5 In conclusion, consultations for this report have indicated the extent to which environmental considerations have been integrated into main Structural Fund Programmes in the South West region, moving from a relatively limited position in the 1994 - 1999 South West Objective 5(b) Programme associated with a vertical environmental priority, to a much broader horizontal approach in current programmes, consistently applied across all Programme priorities. Issues experienced in the South West Objective 5(b) Programme have been addressed in the current Programmes and the effective integration of environmental sustainability into economic regeneration programmes has been demonstrated. The challenge is now seen as continuing to develop knowledge and experience of achieving environmental sustainability in an economic development context and extending that experience into other Programme areas.

APPENDIX ONE

Consultees and Documents Reviewed

Key Stakeholder Consultees

Objective One Partnership	Mark Yeoman Bill Bawden (former Director)
Devon County Council	Ian Hutchcroft
Environment Agency	Mike Robins
English Heritage	Ian Morrison
Government Office South West	Viv Stevens Gareth Grimshaw

Documents Reviewed

Single Programming Document, South West Region Objective 5(b) Programme 1994-1999, (October 1994)

Objective One Programme for Cornwall and the Isles of Scilly 2000-2006, Single Programming Document (August 2000) and Programme Complement (October 2000)

South West of England Objective Two Single Programming Document 2000 - 20006 and Programme Complement (March 2001)

The Effectiveness of EU Structural Funds in Delivering the Government's Environmental Objectives, Final Report (October 2005), Fraser Associates for DEFRA

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*NB: A copy of the Ex Post Evaluation of the South West Objective 5(b) Programme was sought but not located