

MID WALES REGIONAL COMMITTEE

Objective 2 - Draft Single Programme Document

Purpose

1. The East Wales Partnership have been working closely with National Assembly officials to develop the draft Single Programming Document (SPD) for the Objective 2 and Transitional programme (Document 1). The Partnership will be making a presentation to this meeting to inform members of the background and progress focusing on the rural strand of the programme.

Background

2. On 30 March the European Commission approved the list of areas eligible under Objective 2 of the Structural Funds for the period 2000 to 2006. A map of the coverage is at Document 2. The UK Government also secured additional funding for those areas previously covered by the Rural 5b and Industrial South Wales programmes to the end of 2005 (Transitional areas).
3. The draft SPD has been drawn up by the Partnership following a consultation exercise in February and March. The outcome of the consultation is summarised at Document 3.
4. Funding for the programme is based on euros per capita which has resulted in an allocation to Wales of 81.39 million euros for the main programme to the end of 2006, and 39.73 million euros for the Transitional areas to the end of 2005 (at the current exchange rate of 0.5985, £48.71 million and £23.78 million respectively). With match funding the overall amount is around 172 million euros for the main programme and 84 million euros for transitional. Based on population figures the rural areas will receive around 40% from the main programme and 30% from the transitional.
5. Following a strong steer from the European Commission the Partnership agreed the programme would only support European Regional Development Fund (ERDF) activities. However, a minimum of 40% of the funding for the Objective 3 programme, which supports training activities through the European Social Fund (ESF), has been ring fenced for the Objective 2 areas (which form a sub-set of the Objective 3 area).
6. In Wales the emphasis will be on declining rural areas and urban areas in difficulty; these will form two distinct strands within the SPD. There are four priorities within the

programme:

- Developing Sustainable and Competitive SMEs
 - Sustainable Rural Development
 - Urban Community Regeneration
 - Use of Technical Assistance
7. The first priority will develop the SME base throughout urban and rural parts of the area. The second priority will be targeted on rural East Wales and provide support for the following measures:
- Rural Economic Development
 - Building Sustainable Communities
 - Development of Community Enterprise & the Social Economy
 - Improving Rural Communications and Accessibility
8. Much of Priority two supports complementary activity to the all-Wales Rural Development Plan which funds activities to help agriculture and forestry become more sustainable. It also provides support for the development and adaptation of rural communities which are heavily dependent on agriculture and forestry for sources of employment.
9. Objective 2 will provide support for diversification measures not directly linked to agriculture and forestry. This includes both non-related on-farm activities and activities that are related to primary products but carried out "beyond the farm gate" by any eligible actor. Support will also be provided for a broad range of rural community development activities complementary to and going beyond those supportable under Article 33 of the Rural Development Regulation.

Presentation

10. The presentation for this meeting will be given by: Councillor John Thompson, Powys County Council (Chair of the East Wales Partnership); Graham Davey, Powys County Council; and Sioned Rees of the Welsh Development Agency. Chris Johnes from European Affairs in the National Assembly will also be available to answer questions.

Timetable

11. The draft SPD was discussed at the Economic Development Committee meeting on 18 May, and debated at Plenary on 23 May. The document was subsequently submitted to the European Commission and there will now follow a period of five months negotiations between the Commission and the Partnership. During this period work will also

commence on developing the Programme Complement. Following consideration of the Complement by the shadow Programme Monitoring Committee (which will be chaired by Michael German AM) it is intended to issue it around the beginning of next year when the Welsh European Funding Office will assume full responsibility for the programme. It is anticipated that implementation will start early in 2001.