

Enterprise, Innovation and Networks Committee

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Date: 5 July 2006

Venue: Committee Room 2, Senedd, Cardiff Bay

Title: Post 2006 Structural Funds Update on Convergence Operational Programme Document

Purpose

1. The Committee is asked to note the content of the paper which provides an update on the preparation of the Post 2006 Structural Funds programmes.

Summary

2. This paper has been requested by the Committee. It provides information on the content and consultation arrangements for the draft Post 2006 Operational Programmes for the Convergence region of West Wales and the Valleys.

Background

3. Since publication of the draft National Strategic Reference Framework (NSRF) with its Welsh chapter, for public consultation, WEFO, Welsh Assembly Government policy divisions and external partners, have been drafting the content of the Convergence consultation document.

4. The document will consult on the strategy and priorities for the economic, social and environmental regeneration of West Wales and the Valleys over the period 2007–2013 with the support of the European Structural Funds – the European Regional Development Fund (ERDF) and the European Social Fund (ESF). The strategy will be based on an analysis of the region's needs and aspirations, together with an assessment of the lessons learned under the current programmes. It has been developed in the context of the objectives of the European Union's Lisbon and Gothenburg economic reform agendas and key Welsh Assembly Government national policies, including Wales: A Better Country, the Wales Spatial Plan, Wales: A Vibrant Economy, the Skills and Employment Action Plan, the Environment Strategy for Wales and Making the Connections.

5. The priorities proposed, as set out in the National Strategic Reference Framework, are to:

- Promote a high value-added economy by improving innovation and growth;
- Create the right business environment;
- Build sustainable communities;
- Increase employment and tackle economic inactivity;

- Improve skill levels and the adaptability of the workforce; and
- Making the Connections: modernising and improving the quality of public services.

6. The detailed themes proposed within each priority were presented to the Committee at a previous meeting, as part of the discussion on the NSRF.

Content of the consultation Document

7. The consultation document will include both the ERDF Convergence Programme, and the Convergence element of the All Wales Human Resources programme (ESF). These two programmes will be submitted as separate programmes to the EU Commission, in accordance with the regulations on mono-fund programmes, but keeping them together for the purposes of the consultation document is more coherent.

8. The shape of the consultation document is as follows:

- Ministerial Foreword
- Introduction
- Vision
- Analysis
- Strategy
- Overarching priorities for ERDF and ESF
- Cross cutting themes
- Implementation arrangements
- Consultation questions

9. A separate Supporting Document will contain the annexes containing detailed technical information on the themes and the full socio-economic analysis. The draft Programme will also be reviewed under the Policy Gateway process, and will be screened as part of the Race Equality Impact Assessment (a full impact assessment may be conducted depending on the outcome of this first step). The outcomes of the Policy Gateway and Race Equality screening will be reported as part of the consultation arrangements.

Consultation Arrangements

10. The consultation document will be published both electronically and in paper form over the Summer, allowing time into September and October for responses. Individuals and organisations will be able to respond by writing, faxing, e-mailing the WEFO Post 2006 mailbox, or by attending one of the planned consultation workshops.

11. The consultation document will be translated into Welsh, but not the supporting technical annexes, and paper copies will be available as a tilt and turn document. The electronic version will be available on both the Welsh Assembly Government and WEFO websites. Other formats e.g. braille or audio-tape will be made available on request.

12. Four regional events are planned for September, and will provide an opportunity to discuss the content of the consultation document, address questions, and seek additional information. Other meetings are being arranged by external stakeholders and our officials are available to attend them.

13. The consultation document builds on the extensive involvement which has taken place with a wide range of partners and stakeholders since the autumn of last year.

14. Following the consultation and any revisions, the programmes will be formally submitted to the European Commission in the late autumn, having discussed the drafts with them, in order to reach agreement in late 2006 and commencement in early 2007. The start date is subject to the successful negotiation of the programme with the European Commission in the autumn and winter.

15. The Consultation Document for the East Wales Regional Competitiveness and Employment programme will follow in the autumn. The Cross-Border Programme with Ireland will also be issued for consultation later in the year once agreement is reached with the Irish authorities.

Financial Implications

16. We have received details of the final figures from the EU Commission on the size of the new programmes. The Convergence programme will be of a similar size to the current Objective 1 programme, around 1.8 billion euro over 7 years. It will be important that projects more closely align with agreed priorities, and we expect to maximise the use of our own programme resources to lever in Structural Funding..

17. The Council (through Coreper) has reached agreement that all Member States should have the option of including private co-financing in their programmes if they so wish. The Regulations are expected to be finally agreed at the end of July.

18. The different structure of the new programmes, and the alignment with Welsh Assembly Government priorities will help us to look at new and innovative ways of match-funding and co-financing projects, that will streamline processes and reduce bureaucracy.

Cross Cutting Themes

19. The cross cutting themes of equal opportunities, sustainable development and information communication technologies are applied to all current Structural Funds activity. All projects which apply for, and receive funding under the current programmes must address each of the three themes, demonstrating how they influence or are taken account of, by individual projects.

20. The draft regulations for any new regional development programmes envisage a continuing role for Environmental Sustainability and Equal Opportunities. The ICT cross cutting theme is being mainstreamed due to progress achieved in the current programmes.

Action for Subject Committee

21. To note the content of this paper.

Andrew Davies, AM
Minister for Enterprise, Innovation & Networks