

European and External Affairs Committee

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Date: 10 May 2006

Venue: Committee Room 2, Senedd, Cardiff Bay

Title: National Strategic Reference Framework (NSRF)

Purpose

1. The Committee is asked to note the content of the paper which provides background for its discussion on and response to the DTI's consultation.

Summary

2. This paper has been requested by the Committee. It provides information on the DTI's public consultation on the UK National Strategic Reference Framework (NSRF), which contains a Wales chapter. The consultation runs for 12 weeks, from 28 February 2006 to 22 May 2006.

Background

3. The purpose of the NSRF is to establish the broad strategy for Structural Funds spending in the UK and to provide a reference framework for the development of future Structural Funds Programmes for the period 2007 – 2013. The Wales chapter includes an analysis of the Welsh economy and the proposed priorities for future Structural Funds spending in Wales.

4. The DTI has developed the Framework in close collaboration with the Welsh Assembly Government and other Government Departments with responsibility for Structural Funds. It includes a strong focus on activities to promote enterprise, innovation, sustainable communities, sustainable development, skills and employment, in support of the Lisbon and Gothenburg agendas

5. In addition to inviting comments on the draft National Framework, the UK Government is also seeking views on two related issues: the proposals for distributing Structural Funds allocations under the new Competitiveness Objective; and administrative arrangements for delivering the Funds during the next budgetary cycle.

6. The draft Welsh chapter of the NSRF has been produced by my officials in close partnership with the Post 2006 External Stakeholder Group and the expert workstreams set up to inform the development of the Operational Programmes.

7. The major themes and priorities of this chapter have been drawn from the revised national economic development framework, *Wales: A Vibrant Economy*, the Skills & Employment Action Plan 2005 and other relevant policies. The priorities were built upon the key principles for new regional development programmes, agreed by Cabinet, in 2005.

8. The Wales chapter of the NSRF provides the overall planning context for the development of the more detailed Operational Programmes, which my officials are currently drafting, in consultation with external stakeholders.

Consultations

9. The NSRF consultation was launched, by the DTI, on 28 February and runs until 22 May 2006. A copy of the Wales chapter can be found at Annex 1. The full UK consultation document can be accessed directly through the DTI website [www.dti.gov.uk/europe/nsrf.html] or through the WEFO website [<http://www.wefo.wales.gov.uk/default.asp?action=page&ID=1564>].

10. *Wales: A Vibrant Economy (W:AVE)* was published for public consultation in November 2005 and sets out the strategic framework for continuing to develop a dynamic, sustainable economy in Wales. The Wales chapter of the NSRF draws heavily from this document.

11. The W:AVE consultation concluded on 28 February 2006. There was broad agreement from the consultees on the priorities in W:AVE. Many of the organisations expected the Wales Spatial Plan to be key in identifying strategic priorities. Many consultees also felt that the potential for effective local initiatives should not be lost in the push for strategic projects.

12. While the NSRF consultation must avoid duplicating the W:AVE consultation through events for the NSRF consultation, 269 key stakeholders have been directly invited to comment on the document.

13. The text of the NSRF will be reviewed in the light of these consultations and the adoption of the Structural Fund regulations and Community Strategic Guidelines. The final version of the UK NSRF document will then be submitted to the European Commission.

Operational Programmes

14. I anticipate that the draft Operational Programmes for Convergence and the all-Wales HR programme will come to the EEA Committee at the meeting on 22 June, at the point of being published for public consultation.

15. The aim is for the draft Operational Programme for Competitiveness and Regional Employment to go out for public consultation later in the summer.

16. A number of events with key stakeholders will complement the public consultations on the Operational Programmes in the summer.

Financial Implications

17. There are no financial implications arising directly from this paper. The costs of running the workstreams will be met out of existing administration costs budgets and through Objective 1 Technical Assistance funding. Programme Budget Planning officials are in discussion with WEFO's Finance Division and once the funding allocations and implications of any new programmes are known information will be provided.

Cross Cutting Themes

18. 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.

19. The draft regulations for any new regional development programmes envisage a continuing role for Sustainable Development and Equal Opportunities.

Action for Subject Committee

20. To note the content of this paper.

Rt. Hon Rhodri Morgan, AMFirst Minister