

# **European Structural and Investment Funds 2014 – 2020 Programmes**

## Contents

<b>Part</b>	<b>Topic</b>	<b>Page Number</b>
<b>1</b>	Introduction and Purpose	<b>3</b>
<b>2</b>	Summary of the May Consultation and Stakeholder Responses	<b>5</b>
<b>3</b>	Further Developments of Strategy, Governance and Delivery Arrangements	<b>6</b>
<b>4</b>	Developing the Partnership Agreement and Operational Programmes	<b>10</b>
<b>5</b>	Proposed Strategic Interventions	<b>15</b>
<b>6</b>	Fit with other ESI and EU Funds	<b>22</b>
<b>7</b>	Equalities Impact Assessment	<b>26</b>
<b>8</b>	Next Steps	<b>28</b>
<b>9</b>	Responding to the consultation	<b>30</b>

## PART 1 – INTRODUCTION AND PURPOSE

1. European Funds have played an important role in supporting reform and recovery in the Scottish economy over the current funding period. The current programmes will end on the 31 December 2013 and by the time all the project complete, will have delivered £700 million of European Structural Funds into innovation, low carbon, sustainable transport, tourism infrastructure, business support, skills and community development.
2. Attention is naturally turning to preparations for 2014-20, which are well underway. The rules and purpose around the funds will change considerably to include a tighter focus, alignment between all EU Funds and a renewed focus on delivering outcomes. In addition to this change, we need to learn the lessons from the issues we have encountered during the current programmes, including audit difficulties, the availability of match funding and the level of impact we would like these funds to have in Scotland. All of these matters should inform how we go forward.
3. In May 2013, the Scottish Government launched a public consultation to gather views on the Government's strategy, governance and delivery proposals for ESI Funds 2014-2020, and to gather views on the specific of the Structural Funds arrangements (a separate consultation was also held on the detail of the Rural Development Fund and Programme). The proposals are to centre the next programmes on a small number of strategic interventions, aimed at either significant issues to address or significant opportunities to capitalise on. These strategic interventions will be fronted, match funded and managed by a lead partner; but will continue to use a wide range of organisations to deliver on-the-ground outcomes.
4. Over the summer months we received 84 response to that consultation, and published an analysis<sup>1</sup> which showed broad agreement with the direction of change; but also sought considerably more detail on the practicalities.
5. We also commenced a series of shadow Strategic Delivery partnerships to discuss and explore those practicalities. This had a particular focus on developing the large-scale strategic interventions which these funds support, defining the outcomes, the level of possible funding, the balance between different thematic objectives, and the fit with domestic funding.
6. Partnership working has been very much the ethos of the development of the 2014-2020 programme, and will continue to be so. By combining a broad consultation with detailed and intensive work with smaller groups of partners, we have identified a series of integrated activities which look realistic, fundable and capable of significant impact. These proposals will be further developed and refined over the coming months – they have flowed from the evaluation of needs and opportunities, and the direction of the Partnership Agreement; and they will now in turn give shape to the Structural Funds Operational Programmes.

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<sup>1</sup> <http://www.scotland.gov.uk/Publications/2013/07/6575>

7. This document updates stakeholders on these developments and the proposals that have come out of this partnership work. It incorporates the SG reaction to Consultation Responses, explaining where the wider stakeholder engagement has impacted on the detailed work to develop and distil proposals.
8. This document is also intended to give a clear sense of the content of the technical documents (Partnership Agreement and Structural Funds Operational Programmes) we will have to submit to the Commission to commence the next programmes, including the selection of investment priorities and thematic objectives. Although not a full formal consultation, it offers a further chance to comment before those documents are fully developed.
9. Finally, it sets out next steps for ensuring the Structural Funds programmes can start as quickly as possible, without compromising on the required set-up, rules and guidance.
10. A separate consultation will also shortly be available on the detail of the Scottish Rural Development Programme.
11. Written comments on these proposals are welcome and should be sent to [future\\_funds\\_2020@scotland.gsi.gov.uk](mailto:future_funds_2020@scotland.gsi.gov.uk). It would be helpful in finalising the technical documentation, and in negotiating this with the UK Government and the Commission, if these reach us before 17 January 2014.

## PART 2 – SUMMARY OF THE MAY CONSULTATION AND RESPONSES

1. In May 2013, the Scottish Government launched a public consultation to gather views on the Government's strategy and delivery proposals for the next round of European Structural Funds programmes which will run from 2014 – 2020. In total 84 responses to the consultation were received and have been made publicly available on the Scottish Government website<sup>2</sup>. Overall, the majority of respondents were supportive of the proposals and thought that the more strategic approach will better address Scotland's key challenges.
2. There were a number of common themes that were raised in the consultation responses. Most notable were the number of respondents requesting sustainable transport as a thematic objective (with a small number of requests for other thematic objectives); and a number of respondents in favour of retaining the current four-programme structure for Structural Funds.
3. Furthermore, there were some concerns regarding how policies such as youth employment, social inclusion and active ageing would be referenced in the Partnership Agreement and Operational Programmes and how these policies could be integrated with the proposed strategy for the future programmes.
4. Although broadly in favour of the proposals many respondents requested further clarification on:
  - How the ESI funds will be invested to reduce inequalities such as health, income, employment, social and educational
  - A recognition of importance of parents/women's employment opportunities and reflection in increased awareness in importance of childcare provision including school aged children;
  - How environmental issues will be addressed
  - Clarification on the roles and responsibilities of different sectors in the development and implementation of the new programmes
  - Clarification on how integration between the ESI funds and the SDPs will be ensured
  - Concerns regarding duplication across the funds and engagement with the education sector (schools) and the public sector (most notably the health service) were raised
  - Further collaboration between the higher education sector, public and voluntary sector and industry in order to improve the structure and impact of projects.
5. **In explaining the work that has taken place since May, and the next steps, the remainder of this document seeks to reference these points, and brings out specific responses in bold text.**

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<sup>2</sup> <http://www.scotland.gov.uk/Publications/2013/07/6575>

## **PART 3 - FURTHER DEVELOPMENT OF THE STRATEGY, GOVERNANCE AND DELIVERY ARRANGEMENTS FOR EU FUNDS**

### **CONTEXT FOR PLANNING 2014-20**

6. In October 2011, the European Commission (EC) published their proposals for the 2014-2020 funding period. The Commission proposed that the European Structural and Investment Funds (ESI)<sup>3</sup> should be closely aligned with the Europe 2020 goals of smart, sustainable and inclusive growth, and closely aligned with each other.
7. In 2012, the European Commission set out its expectations for the UK on the key target areas it expects Structural Fund investments in the 2014 – 2020 programme. These are:
  - Building business competitiveness and innovation
  - Tackling the high proportion of the population with low level or no skills, and promoting social inclusion and combating poverty
  - Developing an environmentally friendly and resource efficient economy
8. The Commission's proposals align well with the Scottish Government Economic Strategy and the National Performance Framework. This is very helpful, as we also have to address national challenges, and lessons learned from 2007-13, as part of designing the new programmes.
9. EU funding does not exist in a vacuum, and with the limited amount of funding Scotland receives, it is important that the Fund priorities align with national policy and domestic funding. However, the point of the funds is also to achieve longer-term structural change, to do and try things that domestic funding does not always have space for. That means it is important to find the right niche for the EU Funds, rather than to have them replicating what is already done elsewhere.
10. A number of other challenges also need to be addressed:
  - The large number of small projects means fragmented outputs and limited impact from the funds. The gradual shift towards more strategic projects (SDB's and CPP's) have shown a change in this – but some of the outcomes still need to be more ambitious to have a significant impact on Scotland
  - Small organisations are not, broadly speaking, well-equipped to manage the audit burden required to draw down EU funds. Allowing multiple small separate projects draws a huge resource requirement both for individual organisations (whose time could be better spent delivering high quality outcomes) and the Managing Authority and Audit Authority.

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<sup>3</sup> ESI Funds consist of the European Social Fund (ESF), European Regional Development Fund (ERDF); European Agricultural Funds for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

- It is difficult to ensure compliance for actual costs – and there is broad support for a significant move towards simplified costs. This should allow a better focus on monitoring outcomes and impacts of the funds, rather than the current focus on financial performance.
- Outcomes and outputs have to be relevant to what you want to achieve (e.g. measuring whether an SME has an e-commerce strategy is not the same as measuring whether they are using it or gaining benefits from it). We will never quite be able to measure long term outcomes within a programme period, but we need better proxy outputs that actually tell us what is being achieved
- IT systems need to be more flexible to allow gradual changes to long-term strategic programmes, to help with high-quality monitoring of outcomes, and to ensure compliance with e-cohesion
- Programme guidance and support needs to be ready in time for Programme launch and be clear, e.g. national rules, compliance systems
- Horizontal themes were not as seriously treated in 2007-13 as mainstreaming them should have ensured. Horizontal themes should continue to have a dual approach (mainstreamed and specific projects) and should be considered both as part of planning the programmes and of assessing any applications.
- Evaluations and communications work better when they focus on telling the story of EU Fund achievement, rather than simply meeting regulatory requirements. This suggests a more qualitative approach on both, and a more consistent approach in terms of ongoing and constant evaluation of what the programmes are delivering.

## Strategy

1. With the focus on Europe 2020, there has to be a tighter focus on investment areas which drive sustainable economic growth such as low carbon, higher skill levels, research, development and innovation to address the challenges presented by the economic downturn. Equally there is a requirement, as part of EU 2020, to address employability, environmental protection and rural development interventions. **These priorities have been reaffirmed both through the consultation response; and through the Shadow Strategic Delivery partnership process.**
2. Proposals for how Scotland could use structural funds to meet the EU 2020 targets, and address the identified needs in Scotland, were developed in three strands, by three shadow Strategic Delivery Partnerships:
  - Competitiveness, Innovation & Jobs – Smart Growth
  - Environment, Low Carbon and Resource Efficiency – Sustainable Growth – and;
  - Local Development and Social Inclusion – inclusive Growth
3. This was to ensure that activity supported by EU funds is coherent and complementary and minimises duplication of funding and delivery arrangements.

The objective of the Scottish Themed Funds is to collectively support the genuine long term change Scotland needs to meet the aspirations of Europe 2020.

4. The shadow SDPs are the cornerstone of planning for the new programmes. They are responsible for shaping major, strategic proposals that closely align with Europe 2020, the Scottish Government Economic Strategy and the National Performance Framework. These proposals will in turn steer the selection of the investment priorities and define the outcomes we want to see the funds deliver in order to deliver measureable impacts against Europe 2020 targets.
5. Each SDP has had a balance of a range of stakeholders across the ESI funds, as well as geographical balance across Scotland. They have included key agencies, local authorities, business representatives, the third sector and Scottish Government Policy areas.
6. **The shadow Strategic Delivery partnerships have worked well in proposing, challenging and recommending a set of proposals which meet the regulatory requirements, as well as being ambitious about what Scotland can achieve. Although the membership has fluctuated, and the lines of demarcation between 'smart, sustainable and inclusive' are not yet settled, it is likely that these partnerships or something like them will continue to have a role in monitoring the day-to-day progress of the strategic interventions.**
7. **Neither the shape nor membership of the SDPs is settled beyond this 'shadow' exercise. It has been valuable in learning about working across four ESI funds and four sets of stakeholders, and has provided good substance to evaluate in light of the comments and responses to the May consultation.**
8. We proposed a single Partnership Agreement Monitoring Committee (PAMC) with specific functions around overseeing the strategic direction of the Programmes and their contribution to the Partnership Agreement Strategy and EU 2020 targets. This PAMC is likely to have an additional role in the early phases of endorsing the approach in the Partnership Agreement and evaluating the balance between different interventions. In addition, it will need to develop sensible communication and decision making lines with the overall UK committee for the Marine and Fisheries Fund and the management arrangement for the Common Agricultural Policy.
9. **It is likely that a shadow PAMC will meet before the Operational programmes are finalised, and that this will be a tightly defined body of no more than 25 stakeholders across all four ESI Funds, chaired by Scottish Government's DG Enterprise, Environment and Digital. As with the SDP's the final membership is not yet settled, but it is clear that members will need to be in a position to understand progress within an array of strategic interventions; and challenge the organisations leading them on their performance.**

## Delivery

10. Managing strategic interventions through lead partners has some very specific advantages for Scotland:
  - It gives us the tighter focus required by the Commission
  - It gives us up-front agreement on what outcomes and impacts the programmes should achieve
  - It ensures funding stability (Funds and match) in the long term for important areas of work; and
  - It manages the audit burden at a higher level, allowing smaller organisations to focus on what they do best – delivering quality outcomes.
  
11. The role of the Lead Partner is similar to the one currently taken by Strategic Delivery Bodies and will be a critical one in the delivery of future Structural Funds including:
  - managing the performance of all delivery partners against agreed outcomes defined in either a contract or grant arrangements (or both).
  - verifying the full value of all financial claims and ensuring that expenditure is properly defrayed on eligible activity. This should include a review of all supporting documents before payment is made.
  - retaining a full and transparent audit trail for expenditure incurred at all levels of the strategic intervention.
  
12. Many of the strategic interventions proposed have a ‘natural home’ in terms of lead partner, **but it is important to emphasise that these have emerged as a combination of organisations putting forward proposals themselves; and being asked by others to do so. The Interventions listed in Part 5 are the result of an extensive series of discussions and negotiations as to what should be included, what was additional, the likely results, the levels of ambitions, and the available match funding. Stakeholders should be encouraged to speak to each other about how to engage with these interventions, and to help the Lead Partners shape them as we move towards delivery.**
  
13. **The proposals include responses to specific responses in the consultation – for example including activity on Sustainable Transport and a more concerted focus on social inclusion and combating poverty.**
  
14. In the case of Sustainable transport, the SDP’s collectively did not feel there was enough activity to merit a separate thematic objective, and that the activity did not fit within the possible investment priorities given in the regulations. This activity is therefore proposed as part of the Low Carbon Economy thematic objective.
  
15. For Social inclusion and combating poverty, discussions are still underway with a range of partners on the right role for the Funds, but it is clear there needs to be a strong third sector delivery component to this in order to effectively reach and target those individuals, families and communities most affected.

## PART 4 - DEVELOPING THE PARTNERSHIP AGREEMENT AND OPERATIONAL PROGRAMMES

### Partnership Agreement

16. The Partnership Agreement is a formal agreement with the European Commission to direct all ESI Funds at those challenges which might otherwise prevent Scotland achieving EU 2020 targets; or at those opportunities which will have a significant impact on those targets. It therefore has to contain an analysis of the disparities and needs to assist in selecting thematic objectives.
17. Scotland will have its own chapter within the UK Partnership Agreement which will set out our challenges and opportunities **To ensure that the Funds remain focused over the lifetime of the programme, the following common strategy will be adopted:**

“Scotland embraces the vision of the draft regulations for Regional Policy 2014-20 and its strong focus on achieving growth and jobs. Our ambition is that this Scottish Partnership Agreement directly supports the Scottish Government’s wider aspiration to deliver sustainable economic growth for all in Scotland.

In the period from 2014-20 the **Scottish approach** to getting the greatest impact from the European Structural and Investment Funds is based on 7 key principles. The approach sees the fundamental purpose of the funds as securing **structural reforms** which will facilitate sustainable economic growth and create a more innovative and inclusive society.

ESIF will be deployed alongside many other, and larger, public and private funds which will also influence structural reforms, therefore the Scottish approach is to identify the **“best niche for ESIF”** within the wider funding and investment environment. Within the ESIF niche, **alignment** and **strategic concentration** of funds and investment will be key to achieving the greatest impact and complementarity between interventions.

The Scottish approach responds to important practical considerations - **territorial challenges, simplification of implementation, and the capability of beneficiaries.**

Scotland’s territories bring diverse challenges whether rural, urban, sparsely populated, remote and peripheral, areas of prosperity, or areas of disadvantage. The Scottish approach recognises these and that where strategic thematic interventions will not address some **territorial challenges**, tailored interventions will be necessary to ensure balanced programmes of interventions achieve the greatest impact.

**Simplifying implementation** depends on establishing programmes around strategic interventions which can be match funded and are most likely to achieve ambitious outcomes. It also depends on **funding beneficiaries that have the capability and capacity** to manage interventions in compliance with audit and implementing regulations.”

## Evidence Base

The Scottish PA chapter will set out a summary evidence base to underpin the selection of thematic objectives and investment priorities. This will be accompanied by the publication of full baseline analyses for ERDF and ESF. The presentation in the Partnership Agreement is summarised below, and covers all four ESI Funds in Scotland:

**Macroeconomic performance** – Scotland has seen recent improvements in labour market and GDP statistics, and a less severe recession than many parts of Europe show resilience of workforce. Challenges remain, however, including unemployment (higher than pre-recession, with more longer term and youth unemployment); a fall in living standards; and growth at modest levels.

**Smart Growth** – Scotland has an excellent university and research sector, but could do more to capitalise on this to engender growth; the business culture historically favours mergers and acquisitions over long-term innovation and investment; the economy is very SME dependent, with a limited number of companies encouraged or wanting to grow or export; and with particular sectors a lack of access to finance. There is significant potential for the Funds to help encourage business demand for innovation and investment, leading to long-term sustainable growth models.

Digital connectivity and usage (business and individual) continues to be an issue, which in the long-term could serve as a disadvantage to competitiveness and social cohesion. Scotland has a high level of graduates, but also a high level of people without qualifications. This gap must be bridged through higher skill levels, more varieties (e.g. vocational) of skills, and broader participation in both if it is to increase its productivity and competitiveness.

**Sustainable Growth** – Scotland has set itself very challenging emissions and renewable energy targets, and is already exceeding the EU 2020 targets. This remains a strong potential area of growth across the country, but finding the right niche is important as there are significantly bigger investors than the Funds. Transport remains a key sector of emissions to address through behavioural change, but the Funds must be realistic about what can be achieved within budgets.

Scotland also has an opportunity to build on its high value land and marine nature as part of 'brand Scotland'. That will require significant investment in protecting and improving that important environment in terms of biodiversity, water and soil quality, and marine environments, and this will continue to be a focus for the rural fund. This could in turn lead to opportunities for sectors such as food and drink which rely on natural quality. Scotland also needs to address resource efficiency, but in the right niche as significant funding is already directed at domestic efficiency. This could lead to an opportunity for new waste management industries.

**Inclusive Growth** – Scotland continues to see areas of concentrated joblessness and workless households, often allied to other social and economic issues. In addition, the recession has pushed up unemployment, and in particular extended long-term and youth unemployment. There are many potential barriers to entering sustainable employment, and an integrated approach to addressing these is likely to

be required. Evidence suggests the current pipeline approach is effective, but may need adjustment in terms of scope or targeting; such as the inclusion of health inequalities or child care provision, and to be responsive to regional issues such as ageing demographics.

Beyond employability, there are an increasing number of people at risk of poverty or social exclusion, or already facing it. These issues are not always individual, but may be family-based or community based, and include financial awareness and inclusion, basic skills and life skills, access to services (including digital ability), all of which can be intertwined.

**Territorial challenges** – For a relatively small country, Scotland’s social and actual geography is diverse. Cities offer both significant concentrations of entrepreneurialism, innovation and talent; and in some cases concentrations of deprivation. However, deprivation is not limited to cities, and can extend through scarcity of services or through under-reporting of income deprivation to many rural communities too.

Many rural and coastal communities in Scotland are sparsely populated and remote, and present issues in terms of availability of services, fuel costs (and fuel poverty), transport time, and additional business costs. There is also a gradual fall in employment in primary industries, and a rise in opportunities in high-skills fields like advanced food and drink, marine and eco-tourism, life sciences and low carbon technologies, both areas which are likely to affect rural areas more than urban, where the wider economic bases can better absorb change.

#### Choice of thematic objectives

Based on this analysis, the thematic objectives which will be included in the Partnership Agreement chapter for Scotland, and the specific activities which are likely to form the focus for the Structural Funds, are:

- R&TD&I – in particular focusing on commercialisation and collaboration between business and academia. Linked to sectors picked out as part of Smart Specialisation, and in support of identified regional strengths.
- ICT – only in relation to remote broadband roll-out (other aspects covered under SME competitiveness, skills, and labour market mobility).
- SME Competitiveness – in particular identifying the next generation of potential growth companies, helping business exploit digital technology, innovation and developing leadership capacity; and making Scotland’s cities more investment-attractive and competitive. This will be delivered through a growth pipeline, with increased numbers of companies moving through the various stages of growth to the next – all the while generating the kind of sustained, higher growth that generates the biggest economic impact.

- Low Carbon Economy – a clear focus in getting a wide range of projects investment-ready (renewable heat, CHP, hydrogen fuel, renewable/marine energy...); and a focus on promoting a behavioural shift towards low-carbon transport options.
- Protecting the environment and promoting resource efficiency – in particular in relation to business waste and efficiency, and promoting and up-scaling circular economies.
- Labour market mobility – a localised approach to addressing barriers to work, e.g. older workers, childcare, health inequalities, skills and employability. This should link closely to SME development to ensure that jobs are created alongside preparing people to take up sustainable employment.
- Social inclusion and combating poverty – intensive and targeted support at areas of multiple and complex need aimed at financial inclusion, household/family wellbeing and resilience and basic life skills (including digital literacy).
- Education, skills and lifelong learning – to complement Labour Market Mobility, aimed at increasing skills levels (vocational, academic and business-ready) linked to Smart Specialisation or regionally significant sectors – matching skills supply and demand – and extending and improving vocational education pathways

## **Operational Programmes**

18. The proposal continues to be to have one Operational Programme (OP) per ESI fund in Scotland, to allow for a sense of scale and consistency in interventions which are required across Scotland.
19. **However, within that, the Structural Fund OP's would recognise that the Highlands and Islands is classed as a transition region. We are working with Highlands and Islands stakeholders on identifying specific needs, in addition to and outside of the national interventions, which should be addressed in the region. This may take the shape of an Integrated Territorial Investment within the single OP structure.**
20. **The OP's themselves will be constructed using the evidence base of needs and opportunities, and the strategic interventions developed through the Strategic Delivery partnerships over summer. These interventions have outlined possible budgets, allowing us to match spend to thematic objectives; areas of focus, allowing us to select investment priorities and construct the Programme priority axes; and outputs and outcomes, helping to define the performance framework for the Funds.**
21. **The tables in Part 5 provide an overview of the proposals under each of the EU 2020 headings – Smart, Sustainable and Inclusive - matched against the relevant thematic objective and investment priorities. It is**

**important to note that this list is not definitive. The ERDF and ESF budgets are significantly 'over-bid' at this stage, and so the proposals remain subject to comment, change, refinement and ultimately Ministerial decision. We welcome stakeholder comments on whether the investment priorities are the most appropriate ones for the activity suggested.**

## PART 5 - POTENTIAL STRATEGIC INTERVENTIONS FOR STRUCTURAL FUNDS

(Please note that EAFRD and EMFF are covered in section 6)

### SMART GROWTH: Competitiveness, innovation and Jobs

#	PROPOSAL	LEAD ORG	DELIVERY	Potential ESIF Programme / Thematic Objective / Investment Priority
1	<p><b>Developing Scotland's Workforce</b></p> <p>To develop a coherent package of additional skills, training and workforce development support to develop a highly skilled and competitive workforce</p> <ul style="list-style-type: none"> <li>• Advanced apprenticeships</li> <li>• Sectoral and regional skills for future industry needs - respond to local and regional need</li> <li>• Existing workforce development</li> <li>• Developing vocational pathways through school and college in response to Wood Commission</li> <li>• Curriculum development for new areas/sectors/developments</li> </ul>	SDS & SFC	<p>Significant component will be additional high-level college and university places aimed at sectoral and regional need.</p> <p>Advanced apprenticeships and existing workforce development delivered in partnership with business</p> <p>Vocational pathways developed in target areas with schools and colleges.</p>	<p><b>ESIF Programme</b> European Social Fund (ESF)</p> <p><b>Thematic Objective</b> Investing in education, training and vocational training for skills and lifelong learning</p> <p><b>Investment Priority</b> (c)(iv) Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes.</p> <p>(c)(iii) Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences.</p>

2	<p><b>Business Competitiveness</b></p> <p>Aligning the support offered by Local Authorities and SE and HIE to identify future growth companies and support them to fulfil their potential. Strong focus on the key drivers of growth and competitiveness, including exporting, innovation and entrepreneurship. Will also address issues such as leadership development, efficiency and growing the digital economy.</p>	SE/HIE/ LA's/ Visit Scotland	<p>Aligned delivery between Local Authorities and SE/HIE</p> <p>Aim is to identify 700-1000 high growth companies as the 'next generation' capable of that growth within 5 years</p>	<p><b>ESIF Programme</b> European Regional Development Fund (ERDF)</p> <p><b>Thematic Objective</b> Enhancing the competitiveness of SMEs</p> <p><b>Investment Priority</b> Supporting the capacity of SME's to engage in growth in regional, national and international markets, and in innovation processes.</p>
3	<p><b>Innovation</b></p> <p>Twin proposal to help businesses commercialise and capitalise on research; and to promote centres of excellence for that research. This recognises that multiple parts of the innovation system need to interact.</p> <p>Aims to increase business R&amp;D expenditure by £300 m. Aims for Scottish companies to be 'born global'.</p>	HIE/SE/SFC		<p><b>ESIF Programme</b> European Regional Development Fund (ERDF)</p> <p><b>Thematic Objective</b> Strengthening research, technological development and innovation</p> <p><b>Investment Priority</b> Promoting business investment in innovation and research and developing links and synergies between enterprises, R&amp;D centres and higher education in particular product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular key enabling technologies and diffusion of general purpose technologies</p>
4	<p><b>Next Generation Broadband Investment</b></p> <p>To bring next generation superfast broadband to Highlands and Islands and other rural areas of Scotland with limited coverage through innovative solutions to ensure Scotland's most remote communities and businesses are not excluded from next generation broadband roll out.</p>	SG Digital Directorate	In partnership with local; authorities and Community Broadband Scotland, using contracting and procurement	<p><b>ESIF Programme</b> European Regional Development Fund</p> <p><b>Thematic Objective</b> Enhancing access to, and use and quality of, ICT</p> <p><b>Investment Priority</b> Extending broadband deployment and the roll out of</p>

				high speed networks and supporting the adoption of emerging technologies and networks for the digital economy
5	<p><b>Scotland's 8<sup>th</sup> City – the smart city</b></p> <p>Glasgow is currently testing smart city technologies under the Technology Strategy Board funding. This programme will help Scotland's cities, industry and urban communities build on that, and innovate using new technologies and accelerate the transform delivery of city services - rollout a series of 'smart infrastructure and services' projects across Scotland's cities</p>	Scottish Cities Alliance and SG Digital Directorate	Projects selected and procured through Cities Alliance network to fit with policy direction from Digital Directorate	<p><b><u>ESIF Programme</u></b> European Regional Development Fund</p> <p><b><u>Thematic Objective</u></b> Enhancing the competitiveness of SMEs</p> <p><b><u>Investment Priority</u></b> Supporting the creation and extension of advanced capacities or product and service development.</p>
6	<p><b>Financial Engineering Instruments</b></p> <ul style="list-style-type: none"> <li>Proposals for expansion of access to finance funding, both through Scottish investment Bank and Local Authority Loan Funds</li> <li>Proposal to use FEIs to fund low carbon transition fund (see proposal 8)</li> <li>Proposal to use FEI's in future to support digital roll-out</li> <li>proposal to use FEIs to ensure financial inclusion</li> </ul>	Not yet clear	Possible to establish as a separate priority axis. Initial scoping work does not suggest this as the favoured option, and so these proposals may be delivered under other the relevant thematic objectives.	<p><b><u>ESIF Programme</u></b> European Regional Development Fund (ERDF) European Social Fund (ESF)</p> <p><b><u>Thematic Objective</u></b></p> <ul style="list-style-type: none"> <li>- Strengthening RD&amp;I</li> <li>- Access to and use and quality of ICT</li> <li>- Enhance Competitiveness of SMEs</li> <li>- Supporting shift towards low carbon economy</li> <li>- Protecting the environment and promoting resource efficiency</li> <li>- Promoting employment and supporting labour market mobility</li> <li>- Promoting social inclusion and combating poverty</li> </ul>

## SUSTAINABLE GROWTH: Environment, low carbon and resource efficiency

#	PROPOSALS	LEAD ORG	DELIVERY	Potential ESIF Programme / Thematic Objective / Investment Priority
7	<p><b>Low Carbon travel and transport</b></p> <p><b>Active Travel Hubs</b> - Local facilities to link affordable bike hire and parking; safe, secure and convenient cycling and walking routes; and public transport as an alternative to taking the car.</p> <p><b>National Smart Ticketing Scheme</b> - A national Smart Transport Card acting as a catalyst for increased public transport use, reducing emissions and congestion from road travel</p> <p><b>Low Carbon Transport Hubs</b> - Trialling low carbon transport hubs at strategic sites to act as a catalyst for a step change in the take up of low carbon vehicles and the market for alternative fuels. Hubs will provide reliable low carbon refuelling services.</p>	Transport Scotland	<p>Active travel - Delivery likely to be a hybrid of Transport Scotland and locally promoted schemes, e.g. via community organisations or local authorities.</p> <p>National Smart Ticketing Scheme – delivered by Transport Scotland via procurement where required</p> <p>Hubs – TS to manage process for selecting sites and mix of alternative fuels with partners. Local authorities likely to play a role. Any building work must go through procurement.</p>	<p><b>ESIF Programme</b> European Regional Development Fund (ERDF)</p> <p><b>Thematic Objective</b> - supporting the shift towards a low carbon economy in all sectors</p> <p><b>Investment Priority</b> - promoting low carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multi modal urban mobility and mitigation relevant adaptation measures</p>
8	<p><b>Low Carbon Infrastructure Transition Development Fund</b></p> <p>The fund will establish a low carbon programme to understand and support the economic opportunities arising from the transformation of Scotland's infrastructure. The programme will operate across a range of sectors that have significant potential for decarbonisation and enterprise growth, including electricity and heat generation and energy efficiency, transport, resource efficiency and re-use, and food production and distribution, and will identify pipeline projects and support them to achieve significant external investment:</p> <ul style="list-style-type: none"> <li>• Investment base in low carbon infrastructure</li> <li>• Accelerate build rate of new renewable energy generation</li> </ul>	Scottish Government	<p>Through SG Green investment portfolio as a referral and advice centre.</p> <p>Close working with enterprise agencies and local partners to identify priority sites.</p> <p>Strong community angle</p>	<p><b>ESIF Programme</b> European Regional Development Fund (ERDF)</p> <p><b>Thematic Objective</b> - supporting the shift towards a low carbon economy in all sectors</p> <p><b>Investment Priority</b> - Promoting research in, innovation in and adoption of low-carbon technologies - Promoting the production and distribution of energy derived from renewable sources - Promoting the use of high efficiency co-generation</p>

	<ul style="list-style-type: none"> <li>Accelerated de-carbonisation of heat and transport fuels</li> <li>Increased resource efficiency and energy demand reduction</li> <li>Increased regional skills base and effective indigenous supply chain for low carbon infrastructure</li> <li>Increase income generated and retained within regional economy from low carbon products and services</li> </ul> <p>This fund has been established by merging a range of proposals from wider stakeholders including the third sector and local authorities.</p>			<p>of heat and power based on useful heat demand</p> <p><i>[a number of the available Investment Priorities could be relevant. We will investigate the most suitable way to cover the range of activity proposed with the Commission]</i></p>
9	<p><b>Resource Efficient Circular Economy Accelerator Programme</b></p> <p>To significantly scale up pilots and development projects in Scotland, delivering a transformative approach to supporting a resource efficient, circular economy</p> <ul style="list-style-type: none"> <li>Growth of reprocessing and remanufacturing industries</li> <li>Measurable business resource efficiency savings</li> </ul>	<p>Scottish Government and Zero Waste Scotland</p>		<p><b><u>ESIF Programme</u></b> European Regional Development Fund (ERDF)</p> <p><b><u>Thematic Objective</u></b></p> <p>(a) Supporting the shift towards a low carbon economy (b) protecting the environment and promoting resource efficiency</p> <p><b><u>Investment Priority</u></b></p> <p>(a) Promoting research, innovation and adaptation of low carbon technologies (b) supporting industrial transition towards a resource-efficient economy, promoting green growth, eco-innovation and environmental performance management in public and private sectors</p>

## INCLUSIVE GROWTH: Local Development and Social inclusion

	PROPOSALS	LEAD ORG	DELIVERY	Potential ESIF Programme / Thematic Objective / Investment Priority
10	<p><b>Enhanced Employability Pipelines &amp; Youth Employment Scotland</b></p> <p>To build on the existing P1 and P5 strategic skills pipeline approach that has been developed during the current Lowland and Uplands Scotland programme and incorporate a Youth Employer Recruitment Incentive programme:</p> <ul style="list-style-type: none"> <li>• Number of participants engaged in local pipelines</li> <li>• Number of participants progressing at least stage 3</li> <li>• Number progressing to at least stage 4</li> <li>• Number achieving a qualification</li> <li>• Number achieving a job</li> <li>• Number sustaining job at least 6 months</li> <li>• Number of young people progressing to ERI supported employment</li> </ul>	<p>CPPs – lead organisation TBC</p>		<p><b>ESIF Programme</b> European Social Fund (ESF)</p> <p><b>Thematic Objective</b> Promoting sustainable and quality employment and supporting labour market mobility.</p> <p><b>Investment Priority</b> Access to employment for job seekers and inactive people, including long term unemployed and people who are far from the labour market, also through local employment initiatives and support for labour market mobility.</p>
11	<p><b>Poverty and social inclusion</b></p> <p>This proposal remains under development – a significant gap is emerging around community, family and household interventions to prevent social exclusion.</p>	<p><b>Not yet clear – under development</b></p>	<p>No lead yet identified although likely to have a significant delivery role for the third sector</p>	<p><b>ESIF Programme</b> European Social Fund (ESF)</p> <p><b>Thematic Objective</b> Promoting social inclusion and combating poverty and discrimination.</p> <p><b>Investment Priority</b> Active inclusion, including with a view to promoting equal opportunities, active participation and improving employability. <i>[potential for other investment priorities depending on the focus]</i></p>
12	<p><b>Scottish Regeneration Capital Grant Fund</b></p> <p>To focus on investment on delivering large scale transformational change. The focus will support economic</p>	<p>COSLA / SG</p>		<p><b>ESIF Programme</b> European Regional Development Fund (ERDF)</p> <p><b>Thematic Objective</b></p>

	and social activities that in turn support sustainable towns and cities. Key activities include land remediation, enabling infrastructure and support for town centres.			Promoting Social Inclusion and combating poverty and any discrimination.  <b><u>Investment Priority</u></b> Support for physical, economic and social regeneration of deprived communities in urban and rural areas
13	<p><b>Green Infrastructure</b></p> <ul style="list-style-type: none"> <li>• Proportion of households within 300m of publically useable greenspace of more than 0.2 ha</li> <li>• Improved perception of neighbourhoods</li> <li>• Increase in proportion of adults visiting outdoors at least once a week</li> <li>• Reduction in vacant and derelict land</li> <li>• Increase in number of businesses associated with management and use of green infrastructure</li> <li>• Economic impact of £49m and 300 FTEs created</li> </ul>	SNH	SNH working with local authorities and community organisations to identify areas with, in particular, the central Scotland environment network, to develop	<p><b><u>ESIF Programme</u></b> European Regional Development Fund (ERDF)</p> <p><b><u>Thematic Objective</u></b> Protecting the environment and promoting resource efficiency</p> <p><b><u>Investment Priority</u></b> 6 (e) action to improve the urban environment, revitalisation of cities, regeneration and decontamination of brownfield sites (including conversion areas), reduction of air pollution and promotion of noise reduction measures</p> <p><i><u>AND potentially</u></i> 9 (b) support for physical, economic and social regeneration of deprived communities in urban and rural areas</p>

A range of other interventions were proposed through the development of the Sustainable growth theme, including Community Jobs Scotland, graduate recruitment, various initiatives aimed at development and capacity building in social enterprise and the third sector, domestic energy efficiency and advice and promoting cultural heritage. These are not represented here as the final meeting of the shadow SDPs felt they were either under-developed, lacked strategic fit with EU 2020 and other domestic funding available, did not represent value for money or should be merged with other proposals.

There will be a mid-point review in 2014-20 programmes, and further developments of some of these proposals may be reconsidered at that stage.

## PART 6 – FIT WITH OTHER ESI AND OTHER EU FUNDS

1. A key change to the regulatory framework for 2014-20 is the need for all ESI Funds to complement each other – to be planned together, to avoid overlap and duplication, and to achieve more collectively than they could separately. Whilst this document is presenting the likely focus of Structural Funds, these have been planned in conjunction with developments on the rural (EAFRD), fisheries (EMFF), and territorial co-operation (ETC) funds; as well as being planned against emerging information about the Commission-held funds such as Horizon 2020, ERASMUS, the fund for social innovation and COSME.
2. The sections below set out the focus for the rural and fisheries funds; the general fit with the way the territorial co-operation programmes are developing; and some thoughts on how the mainstream funds align with major EU funding instruments. Stakeholder comments are welcome to help us develop this thinking further.

### EAFRD

3. The Rural Fund plays a significant role in environmental protection and improvement, and in the development and sustainability of rural communities. There is significant cross over on SME competitiveness, where similar forms of support could be offered, using EAFRD, to the food and drink sector and to rural micro and small businesses; and on skills development, where the Social Fund will be able to support the development of advanced and modern apprenticeships in land-based and rural sectors (including forestry), as well as more advanced qualifications for the next generation of land managers.
4. There is complementarity in resource efficiency, with EAFRD also offering advice with a narrower sectoral focus. And there is complementarity in protecting the environment, where EAFRD's focus on the natural environment allows ERDF to focus in more on urban areas.
5. The likely scope of activities under the EAFRD are:

<b>Alignment with SME competitiveness proposal:</b> Food and Drink sector support; and rural micro and small business development
<b>Alignment of skills and workforce development:</b> Non formal vocational skills provided via EAFRD; formal rural sector qualifications, modern apprenticeships etc. via ESF.
<b>Agri-environment scheme</b> to address a range of EU/SG environment and climate obligations – peatland restoration, resource efficiency, biodiversity, water and soil quality
<b>LFASS (Areas of Natural Constraint)</b> Top up payments for land managers in less favoured areas, to support farm viability, protect natural resources and reduce risk of land abandonment
<b>Crofting and small farms</b> Targeted support for crofters and small farmers helping sustain and develop their businesses
<b>Forestry</b> Supporting SG's commitment to plant 10,000 has p/a to protect forest habitats and balance conifer planting for productive timber, and native

woodlands to create forest habitats.
<b>Knowledge Transfer Scheme</b> To translate best practice/research into improvements for natural resources through demonstration projects such as monitor farms
<b>Rural advisory service</b> Supports improved farm and land management to protect and enhance Scotland's natural resources through expert advice targeted on farmers and land managers
<b>LEADER</b> A LEADER scheme is required by regulation, local strategies and projects for community development and to meet local priorities
<b>New Entrants</b> Business development support for new farmers; including start-up grants.

### European Maritime Fisheries Fund (EMFF)

6. The regulations for the EMFF have been delayed during negotiation, and so it remains unclear what the precise focus of activity under this fund will be. However, a significant component will continue to be the implementation of Common Fisheries Policy reform, including regulation and monitoring of the fishing industry.
7. As with rural and structural funds, there is likely to be a focus on developing the competitiveness of businesses, focused here particularly on the reform of fisheries policy and on aquaculture. Marine and Structural Fund interests in innovation and in marine energy are also likely to align, with most major scale projects taking place under the ERDF due to the limited scale of the EMFF. And on energy efficiency, EMFF will want to promote whole-chain efficiency, e.g. from fuel to processing for fishing and aquaculture.
8. The Fund will be run under a single UK wide operational Programme, but there is still scope for regionalised management, meaning alignment between the funds could still be achieved.
9. Both EMFF and the EAFRD will have community led local development components, and we expect the local groups and strategies to be aligned, as many of the areas are the same or similar.

### European Territorial Cooperation

10. A collective aim of ETC programmes will be to promote equal distribution of R&D and innovation capabilities across the regions to improve competitiveness, growth and investment opportunities. Such joint operations offer the opportunity to improve access to scientific and technical knowledge across borders by fostering better linkages to established R&D facilities and increased access to international centres of excellence in partner regions. They are also effective platforms for the exchange of good practice and establishing cooperative industry-academia networks, and can assist in coordinating activities for raising the international profile of innovation clusters and SME networks, supporting public-private and transnational partnerships, and promoting the innovative use

of new and existing knowledge. ETC funds will also support the public sector and associated stakeholders in developing territorial policies for innovation across regions.

11. One area for ETC prioritisation will be to develop inter-regional strategies to exploit the renewable energy potential of the marine and coastal environment. Interventions include joint awareness-raising measures and integrated concepts and action plans to increase energy efficiency and help promote responsible and balanced production and consumption patterns. The transfer of knowledge in alternative and renewable energy management patterns and developing new approaches to efficient and sustainable utilisation of resources will help identify the means to reduce climate change impact at a regional / community level, supported by the development of small scale renewable energy solutions.
12. Scottish stakeholder contributions to ETC actions around the North Sea and Atlantic Strategy align with the Commission's agenda on Blue Growth, with particular participatory strengths in marine environment, offshore renewables and coastal tourism. There is considerable scope for more strategic and coordinated efforts between ETC funds that operate within these sea basin territories, building upon strong, mutually beneficial relationships, shared priorities and common blue growth goals. These funds can be one of the key drivers for governance, policy planning and action setting of blue growth activities with neighbouring maritime regions in areas including: marine research and the protection of the ocean's biodiversity; actions that promote the sustainable use of ocean resources, particularly in the context of blue biotechnology; commercial exploitation of offshore renewables; and increased identification of the opportunities around eco-innovation.
13. ETC funds can also focus on improving the interoperability and intermodality of passenger and freight transport. This includes promoting sustainable transport connections to develop more energy-efficient modes of travel and make more effective use of existing transport infrastructure capacity; one example would be the use of advanced real-time transport and navigation information systems to improve transnational connections to transport flows. Such actions also promote the harmonisation of standards and compatibility of ICT transport technologies across national borders, and widen the ability for replacing physical mobility through virtual exchanges.
14. ETC programme and project partners will continue to work alongside other regional players to deliver positive contributions in support of Europe's active aging agenda, particularly in remote and rural areas where demographic challenges are acutely shared. They are one of the mechanisms for the application of research data to develop innovative on-the-ground actions that help tackle shared societal changes across territorial boundaries. ETC funds will also be utilised to support the uptake of inter-regional digital platforms in addressing interoperability issues, drive usability and acceptance, and facilitate the shared learning from planning and developing targeted ICT services.
15. Valuing the links formed through natural and cultural heritage can enable coastal and rural communities to extend geographical connections and the socio-

economic benefits attached to these, and ETC contributions could assist in extending rural and coastal community action plans beyond their local dimension.

### **Alignment with major EU Funds**

16. The new regulatory framework provides many opportunities to work in a complementary manner with a range of instruments, both national and EU. A range of complementary instruments will be used to maximise the benefits of the ESI funds and include, for instance, those associated with the Youth Employment Strategy, Skills for Scotland, Community Empowerment proposals, Digital Scotland 2020, the National Food and Drink Policy, the Strategic Framework for Scottish Aquaculture amongst others.
17. The particular focus on innovation will require full consideration of the opportunities afforded through Horizon 2020. The focus on Scotland's Smart Specialisation Strategy will provide the platform to consider synergies with Horizon 2020 and Creative Europe whilst the focus on SME competitiveness will require exploration of the opportunities through COSME. Resource efficiency is considered a horizontal policy objective for the Scottish Partnership Agreement and the intention is to use LIFE Environment and Climate Action funds to assist in moving this agenda forward. There are many benefits from maximising the use of the Erasmus for All programme especially with the range of skills requirements highlighted throughout this chapter, particularly those to complement the growth sectors and the low carbon transition interventions. Erasmus for All offers great added value to the plans for skills development in Scotland and the learner experience.
18. In relation to coordination, the delivery partnerships involving key stakeholders will require joint working to provide strategic and local responses and solutions and so strengthen coordination and avoid duplication. As highlighted previously, a Partnership Agreement Monitoring Committee will be formed and monitor progress. Furthermore, a one-stop shop is proposed whereby key information easily accessible across all the ESI funds and relevant information on other EU funds such as Horizon 2020 and ETC is available through a single portal. It is envisaged that this portal will also contain information on what is being supported as the Programmes are delivered.

## PART 7 – HORIZONTAL THEMES

1. In addition to thematic concentration, common and fund specific regulations and Commission expectations, there are also Horizontal Themes which apply to all EU funding programmes. As one of the key lessons learned from 2007-13 is how important, and sometime difficult, it is to retain a focus on these, Scottish Government would like to plan them into the Programmes from the start. They have formed part of the assessment of the proposals listed in Part 5; and this section sets out the approach to each of them in more detail.

### *Promotion of equality between men and women, non-discrimination and accessibility*

2. The Scottish Programmes will have a “twin-track” or dual approach to promoting and mainstreaming equality, including gender equality, non-discrimination and accessibility by combining scope for *positive action* through discrete projects which have a focus on addressing inequalities; and *mainstreaming* – a requirement that all funded projects evidence they address equality, non-discrimination and accessibility in their project activity. Mainstreaming involves developing operating methods, procedures and practices to ensure funded activities promote equality.
3. In addition to the promotion of positive action projects which specifically tackle inequality, discrimination and accessibility in the labour market, entrepreneurship, R&D and training, an equality perspective will be mainstreamed into Programme planning, preparation, implementation, monitoring and evaluation.

### *Equalities Impact Assessment*

4. The public sector has a duty to assess the impact of applying a proposed new or revised policy or practice on equality groups. Equality legislation covers a number of protected characteristics including age, disability, sex, gender reassignment, sexual orientation, race, religion or belief.
5. An Equality Impact Assessment aims to consider how a policy may impact, either positively or negatively, on different sectors of the population in different ways.
6. An EQIA is being conducted for the European Structural Fund Programmes 2014-2020. **We are keen to know your views on whether you think that the proposals and implementation of the European Structural Fund programmes will have a positive or negative impact on not only the protected characteristic but in terms of the wider issues of inclusion and participation.**
7. **If you think they may have a negative impact, we would also be grateful for suggestions as to what could be done differently to diminish that impact.**

## *Sustainable Development*

8. Scottish Natural Heritage has carried out a study on Mainstreaming Environmental Sustainability into EU Funds. The report acknowledged that Scotland adopted a comprehensive approach to sustainable development in current and previous Structural Funds programmes. This has involved integrating Sustainable Development in programme and project design, implementation and evaluation.
9. It is recognised that there is a need to continue mainstreaming and ensure that sustainability does not simply form a bolt-on to supported interventions and projects. The report provides recommendations on what could be done differently to enhance this horizontal theme.
10. The report is broadly positive about the planned approach. For example, fewer larger structural fund project will allow more effort to build Environmental Sustainability and other Horizontal Themes into each one from the start, while continuing delivery through smaller organisations should allow flexibility and innovation in the detailed project and sub-project design. The move to unit costing and an outcome based approach should also mean that there is more focus on monitoring performance against Horizontal Themes, including qualitative measures.
11. The Scottish Government has a high level commitment toward achieving multiple benefits through mainstreaming sustainable development and achieving this ambition is one of the principle outcomes of the programmes. We have a real opportunity to do this and, with a programme designed around fewer, larger projects where SD can be integrated at the design stage and within project specific targets, we can build this in from the start.
12. **We would welcome views for improving the processes for design, procurement, delivery, monitoring and evaluation to strengthen delivery of Sustainable Development.**

## **PART 8 – NEXT STEPS**

### *Governance Arrangements and Ministerial Approval*

1. The proposals in Part 5 are the result of a significant amount of work, in a very short space of time. This has given us a sense of direction for the programmes, and a sense of the balance between the different thematic objectives and investment priorities.
2. We will aim to convene the Partnership Agreement Monitoring Committee early in the new year, with a view to that Committee endorsing the approach to the Partnership Agreement, and the general shape of the proposals. This information, and any comments or recommendations made by the PAMC, will be presented to Ministers for a decision on what is to be included in the Partnership Agreement and Operational Programmes.
3. The PAMC and Ministers will also be asked to take a view on Governance arrangements going forward. Although the PAMC will help retain direction and strategic focus, it is likely that the Strategic Delivery Partnerships or something like them will take on day-to-day monitoring and advisory functions for Structural Funds. EAFRD and EMFF monitoring and reporting arrangements may be slightly different, as these also need to align with UK EMFF and Scottish Common Agricultural Policy arrangements.

### *Regulations and Submission of Programme Documentation*

4. Final discussions on the agreement of the Multi Annual Financial Framework and legislative package are on-going and it is currently anticipated that the new regulations will be adopted and brought into force by January 2014.
5. We have been engaging with the Commission on the development of the Partnership Agreement and new Structural Funds Programmes and remain in a position to submit the programme documentation to the Commission for approval when the regulatory environment allows, although there may be some delays in negotiating the entire UK package through the Commission due to the complexity added by integrating four Funds.

### *Development of strategic interventions*

6. The refinement of strategic intervention proposals has already started, with some lead partners working diligently to identify and commit match funding over a longer timeframe, and defining and quantifying targets and milestones. This work will both contribute to shaping the Partnership Agreement, and run beyond it so that precise details about eligibility and profiling can be worked through on realistic organisational timescales.

7. Lead Partners will not only have to work with SG to do this, but will need to start drawing on the expertise and experience of the likely delivery partners and organisations to help those Lead Partners shape what they put to us; and what will in the end become fully fledged project/programme proposals, complete with delivery chains and timescales, for submission to and negotiation with the Managing Authority.

*Detailed Rules and Implementation; and Programme start dates*

8. It is important that the details are in place before the programmes commence – it gives lead partners a firm footing on which to start spending and disbursing funding to sub-projects, and avoids differing interpretations of audit rules etc at later stages in the programmes. The start date of the new Structural Funds Operational Programmes will therefore be a balance between wishing to commence funding to support economic recovery as soon as possible; and not wishing to cause any complications through starting before everyone is ready. We expect the Structural Funds programmes to be in a position to launch and start operating in the early half of 2014.
9. Arrangements for Structural Funds implementation, including a new IT system and the development of national rules and guidance have started, but efforts need to intensify alongside the refinement of strategic interventions into actual project applications.
10. There is a significant amount of work to do here, and we will want to involve stakeholders wherever possible. This has already been the case, for example in developing simplified cost options, indicators and the early scope of national rules. As the strategic interventions become clearer, this work is likely to pick up in earnest, through the existing Monitoring and Evaluation Group and of course with lead partners themselves.

## **PART 9 – RESPONDING TO THE CONSULTATION**

1. This consultation is taking place over a 6 week period to reflect the tight time scales presented by the regulatory framework. This consultation will close on **17 January 2014**.
2. A 'Respondent Information Form' has been provided that asks information about you or your organisation and a 'Consultation Response Form' that lists the questions associated with this consultation. It is very important that the 'Respondent Information Form' – the first two pages of the form – are returned along with your response as this will ensure that we handle your response appropriately.
3. We are happy to accept your answers either on the completed form or on a separate piece of paper. Once again, please ensure that the 'Respondent Information Form' – the first two pages of the form – are returned along with your response.
4. You may answer as many of the questions detailed in the 'Response Form' as you want; there is no need to answer them all. Everything you tell us will help us know what you think about the proposals.
5. Thank you for completing this consultation. Please return your completed 'Respondent Information Form' and the 'Consultation Response Form' to [futurefunds2020@scotland.gsi.gov.uk](mailto:futurefunds2020@scotland.gsi.gov.uk) by **17 January 2014**.
6. Please note that unless you state otherwise, all responses to this consultation will be made publicly available on the Scottish Government's website.

**For Paper copies/different format language please contact the future funds team on [futurefunds2020@scotland.gsi.gov.uk](mailto:futurefunds2020@scotland.gsi.gov.uk)**

**This consultation is being conducted in line with the Scottish Government's consultation process Consultation: Good Practice Guidance**

**This consultation, and all other Scottish Government consultation exercises, can be viewed online on the consultation web pages at <http://www.scotland.gov.uk/consultations>. You can telephone Freephone 0800 77 1234 to find out where your nearest public internet access point is. There will be no charge for this call.**

# Consultation: European Structural Funds 2014-2020 Programmes



## RESPONDENT INFORMATION FORM

**Please Note** this form **must** be returned with your response to ensure that we handle your response appropriately

### 1. Name/Organisation

Organisation Name

Title Mr  Ms  Mrs  Miss  Dr  Please tick as appropriate

Surname

Forename

### 2. Postal Address

<input type="text"/>		
Postcode	Phone	Email

### 3. Permissions - I am responding as...

<input type="checkbox"/> Individual	/	<input type="checkbox"/> Group/Organisation
<input type="checkbox"/> Please tick as appropriate <input type="checkbox"/>		

(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

Please tick as appropriate

Yes  No

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

Please tick **ONE** of the following boxes

(c) The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your **response** to be made available?

Please tick as appropriate

Yes  No

Yes, make my response, name and address all available

**or**

Yes, make my response available, but not my name and address

**or**

Yes, make my response and name available, but not my address

**(d)** We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

**Please tick as appropriate**

**Yes**

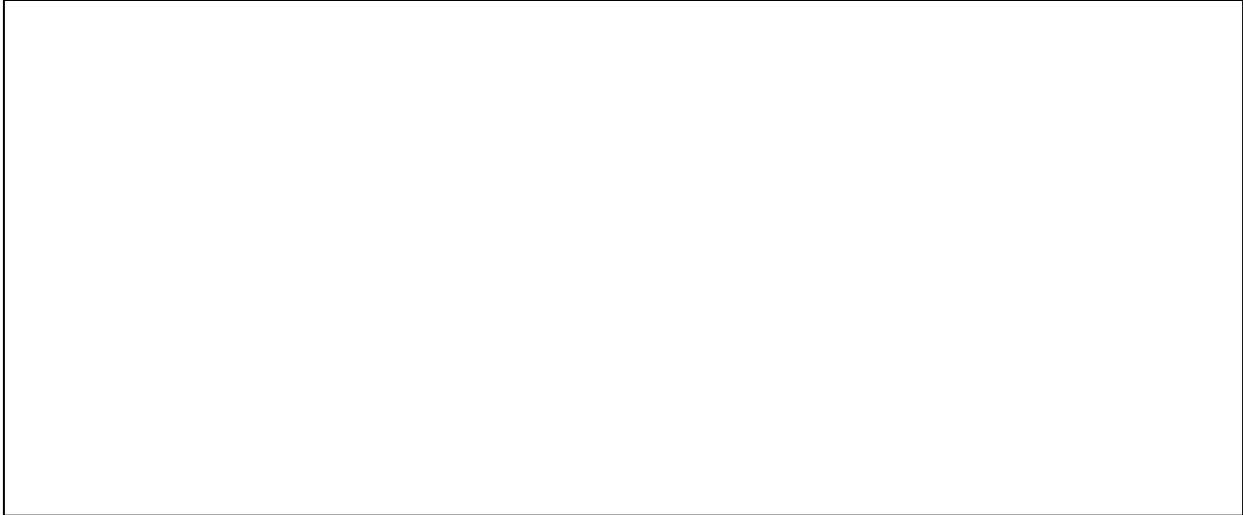
## CONSULTATION RESPONSE FORM

**Question 1** - The table in part 5 provides an overview of the proposals under each of the EU 2020 headings – Smart, Sustainable and Inclusive – matched against the relevant thematic objective and investment priorities. Do you think the investment priorities are the most appropriate ones for the activity suggested?

**Question 2** – Section 6 sets out the linkages between Structural, Rural and Fisheries Funds as well as linkages to other EU Funding Programmes. We would welcome stakeholder comments on these linkages in order to help us develop this thinking further

**Question 3** - Do you think the new proposals will have a positive or negative impact on the protected characteristics and wider issues of inclusion and participation?

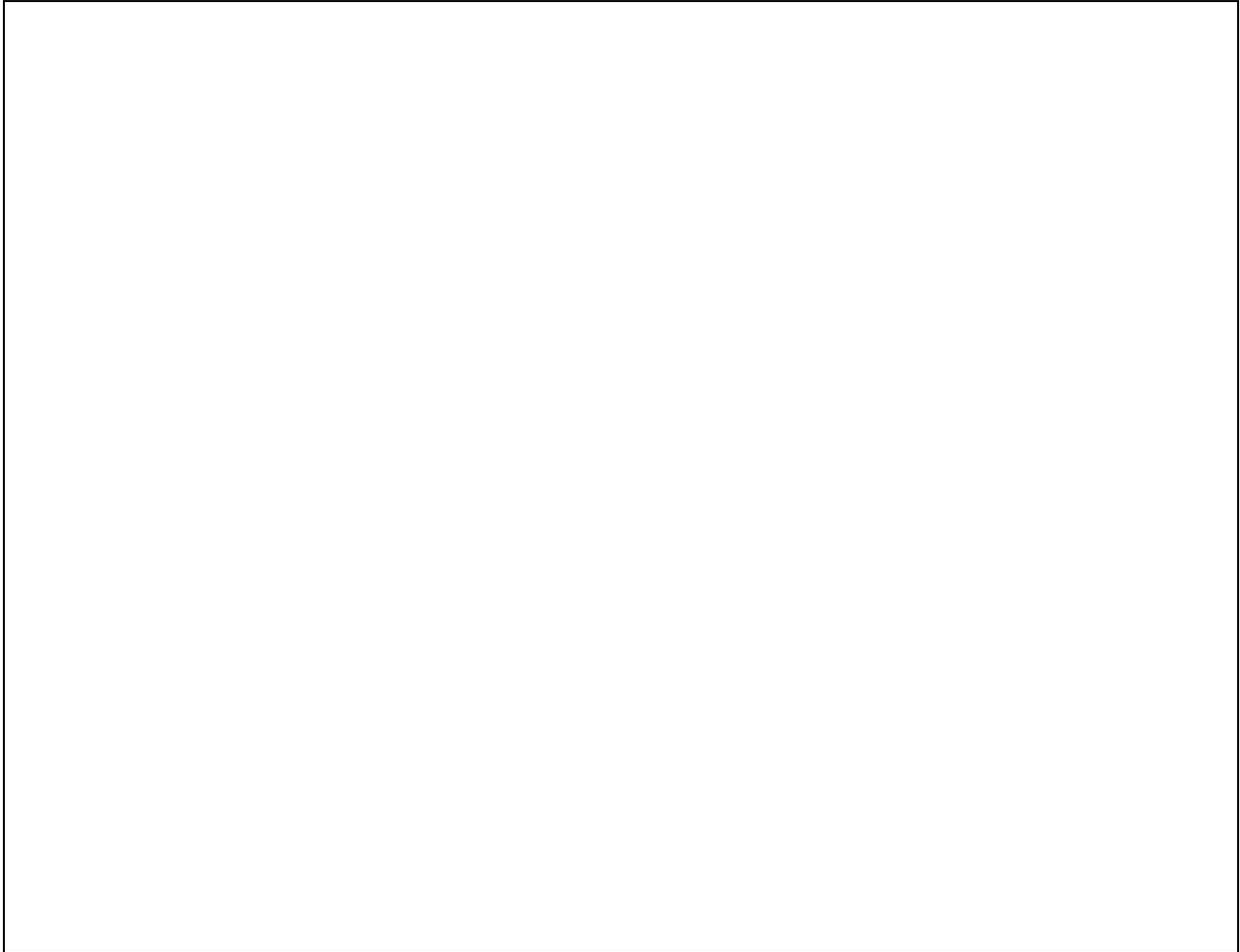
**Question 4** - If you think there will be a negative impact on the protected characteristics or inclusion and participation please provide suggestions as to what could be done differently to diminish this impact.



**Question 5** - Please provide your views for improving the process for design, procurement, delivery, monitoring and evaluation to strengthen delivery of sustainable development.



**Question 6** – Do you have any further comments on the proposals outlined in this document?

A large, empty rectangular box with a thin black border, intended for the user to provide their comments on the proposals.



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