

**COUNCILLOR LEN SCOULLAR, DEPUTE PROVOST AND SPOKESPERSON FOR EUROPEAN ISSUES****1.INTRODUCTION**

This Spokesperson's Report provides a brief update on the following matters:

- Highlands and Islands European Partnership Scottish Parliament Evening Reception,
- Meeting of the West of Scotland European Forum,
- Argyll and the Islands LEADER Programme 2007 – 2013, and;
- Local Authority International Environmental Organisation (KIMO).

A brief update on these matters will be provided in turn.

**2.HIGHLANDS AND ISLANDS EUROPEAN PARTNERSHIP SCOTTISH PARLIAMENT EVENING RECEPTION**

The Highlands and Islands European Partnership (HIEP) held an evening reception in the Scottish Parliament on Tuesday 25 October. The reception was kindly sponsored by Highlands and Islands MSP Rhoda Grant.

The purpose of the reception was to highlight HIEP's vision for European funding in the Highlands and Islands for the 2014 – 2020 programme period. Central to this vision is the need to ensure that the region secures 'transition funding status' which is proposed for regions with a GDP of between 75% and 90% of the EU average and would mean that the region would secure a higher allocation of EU funds than it otherwise might. The keynote address was delivered by Alex Neil MSP and Cabinet Secretary for Infrastructure and Capital Investment whose remit also includes the European Regional Funds. The reception was well attended by all HIEP partners, MSPs, Scottish Government Officials and a representative from the European Commission also attended.

The reception is the first of many lobbying events that HIEP will host or participate in during the EU Budget negotiations and it is important to highlight that this lobbying activity will be progressed at Scottish, UK and EU levels.

**3.WEST OF SCOTLAND EUROPEAN FORUM (WOSEF)**

A meeting of the West of Scotland European Forum took place in Nye Bevan House in Glasgow on 14 October 2011. The meeting covered the future of European funding for the period 2014-20, as well as issues concerning the current 2007-13 funding programmes.

Kat Feldinger from the Scottish Government's Structural Funds Division also addressed the meeting. Kat's remit includes preparing the Scottish allocation of European funding for the 2014-20 period, as well as State Aid (Assisted Area) coverage in Scotland. Kat raised the following key points in her address:

- Whilst the current Structural Fund programmes are progressing well in Scotland, there have been absorption issues with ESF (European Structural Funds) in the Highlands and Islands, and the Lowland Upland Scotland (LUPS) European Regional Development Fund (ERDF) rural priority.
- For the 2014-20 programming period, Kat indicated that Scotland is likely to qualify for Structural Fund support worth around €550million. Although this represents a

drop of about 30% on the current programming period it is still considered a good deal for Scotland.

- The current proposals would give the Highlands and Islands of Scotland transition status which equates to more per head of population than the rest of Scotland, which would be eligible under the Competitiveness category of funding.
- The European Commission has also proposed to allocate the majority of funds on a thematic basis. The proposed themes are:
  - Strengthening research, technological development and innovation
  - Enhancing the competitiveness of SMEs
  - Supporting the shift towards a low-carbon economy in all sectors (including the production and distribution of renewable energy sources)
  - Promoting employment and supporting labour mobility
  - Investing in education, skills and life-long learning
  - Promoting social inclusion and combating poverty

Kat indicated that there was strong complementarity between the Scottish Government Economic Strategy and the proposed EU thematic priorities.

- The Commission would like to see more use of loans in the future instead of grants.
- A strong community development dimension has been proposed by the Commission for the delivery of the 2014-20 funds. While the Scottish Government was unclear exactly what was meant by this it was supportive of the concept in principle and welcomes views from local authorities as to how this could work in practice
- The Scottish Government will be looking to consult with local authorities in the development of the new programmes and systems in the near future, and over the course of the next few years as the programmes are being developed.
- Outwith the Structural Funds, Kat indicated that the Scottish Government had an interest in Trans-European Networks for Transport, ICT and Energy. Overall, the Commission had proposed a budget of €40bn for the development of these networks for the 2014-20 period.

A general discussion then followed about the future funds and their impact on Scotland, with a particular focus on the LUPS area, part of which WOSEF represents.

The European Team have offered to provide a verbal update to the Executive Committee if requested, and if desired, Kat Feldinger could be approached to address the Committee on the developments in European Structural Fund programmes for the 2014-20 programming period.

Updating the meeting on progress with the Assisted Area Review, Malcolm Leitch (Chair of the Meeting), said that while major changes to the Regional Aid Guidelines at EU level appeared unlikely, this did not mean that significant reduction in coverage within Scotland was not possible. However, the West of Scotland does look set to retain Assisted Area status but this will need to be reviewed when updated economic data becomes available.

Finally, the Forum accounts for 2010/11 and budgetary projections for 2011/12 were presented. The 2010/11 accounts have been formally adopted, and a 20% reduction in 2011/12 subscription fees was agreed.

#### **4. ARGYLL AND THE ISLANDS LEADER PROGRAMME 2007 – 2013**

Since it began allocating funds in May 2008, the Argyll and the Islands LEADER Programme (including the Convergence Programme) has played a significant role in aiding economic recovery in the Programme area. The Local Action Group (LAG) has awarded over £6m of grant funding to 200 projects, bring over £15m to the area in match funding, thus providing a substantial cash injection for communities across Argyll and the Islands (Argyll & Bute and Arran & the Cumbræes).

At the September LEADER LAG (fifteenth round of applications) a total of 18 projects were awarded funding totalling £633,856. A few examples to highlight are as follows:

- Argyll and Bute Council Argyll: Community Access Links (Phase 1) £145,000. This project will create new shared use footpaths within the communities of Dalmally, Oban, Tarbert and Lochgilphead.
- Ardentinn Community Trust Ltd: Glenfinart Walled Garden Project £10,795. The funding will enable the development work required to re-establish the Grade B listed garden as a working garden producing affordable fruit and vegetables alongside a more formal, leisure garden.
- Dunoon Burgh Hall Trust: Dunoon Burgh Hall Capital Works Development £78,390. The project will enable the group to move the overall project onto the next stage by procuring a professional team including a full design team, a business / arts venue consultant and a heritage / training advisor to undertake the specialist development work required.

#### **5. LOCAL AUTHORITY INTERNATIONAL ENVIRONMENTAL ORGANISATION (KIMO)**

As the Chair of KIMO Scotland, I attended the KIMO International Conference hosted by Aberdeenshire and Aberdeen City Councils on 7 to 9 October 2011. Stewart Stevenson MSP and Minister for the Environment and Climate Change opened the conference by commending the work KIMO is undertaking on projects such as Fishing for Litter and its leading role in bringing issues such as marine pollution to the fore. The Conference also discussed the recent work of KIMO in lobbying the European Parliament, individual EU governments and shipping companies to reduce the number of containers lost at sea.

I am happy to share the Minute of the International Conference with Spokespersons once this becomes available.

**For further information contact: Councillor Len Scoullar Depute Provost and Spokesperson for European Issues.**