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SOSEEP

news

South of Scotland

“The Commission approved the proposed South of Scotland single programming document only three years ago, thus for the first time designating and defining this as a region in European terms.

Each time I have been to this area to see the long term practical results of Structural Funds investments, I have been struck by the way in which partnerships at all levels and across local boundaries have maximised the impact of these investments.”

Lewis Macdonald MSP



Scotland's South



Conference Report – 2004 South of Scotland Strategic Partnership Conference

Over 80 people from across the South of Scotland and beyond attended the 2004 South of Scotland Strategic Partnership Conference on 15th March.



The event, opened by Diane McLafferty, Head of European Structural Funds at the Scottish Executive was held in Tweed Horizons Conference Centre and took place only a month after the publication of the European Commission's Third Cohesion Report, which outlined the Commission's thinking on the future of European Structural Funds and formed the basis of discussions during the day.

Keynote speaker for the event was Lewis Macdonald MSP, Deputy Minister for Enterprise and Lifelong Learning, who has special responsibility for European Structural Funds. The assembled group of senior officials, politicians and project managers heard from one of Scotland's foremost authorities on Structural Funds, Professor John Bachtler. The new area economic strategies were also outlined and progress reports on both the Objective 2 and Objective 3 programmes were presented. In addition, a new Scotland-wide European Programme called Innovative Actions was profiled. The day was rounded off with workshops at which all delegates had the opportunity to contribute to the debate on the contribution of European Structural Funding to the South of Scotland economy in the past, present and future.

Minister praises partnership working in the South of Scotland Europe and Scotland

Lewis Macdonald MSP, Deputy Minister for Enterprise and Lifelong Learning addressed the conference by outlining the aims of the recently published European Strategy from the Scottish Executive, which he said: "must bring – and be seen to bring – tangible economic benefits to Scotland".



transport. The Minister outlined his vision for rural Scotland:

"to be an ever more modern, wealth creating and sustainable economy, while retaining our natural and cultural heritage and enhancing the unique quality of our environment."

Six areas of European activity were identified as of crucial importance to Scotland, including the future of Structural Funds, reforms in agriculture and fisheries policies, trade and investment, tourism and

Mr Macdonald recognised the particular challenges facing rural South of Scotland and Highlands and Islands. He spoke of the need to ensure we have a "skilled, educated and adaptable workforce" in an enlarged Europe and spoke of recent intelligence published by Futureskills Scotland which "contrasted the differences in labour markets between rural and urban Scotland."

Partnership working



The Minister recognised the emphasis the European Commission places on partnership working and said "in his foreword to the Third Cohesion Report the then European Regional Policy Commissioner Michel Barnier refers to European Cohesion Policy as having been the catalyst for new forms of partnership: the South of Scotland is a classic example of what he means."

Praising the level of partnership working in the South of Scotland he said: "Partnership development practice here in the South of Scotland represents

a good model for use elsewhere". He continued: "Particularly important have been partnerships across the whole area from Eyemouth to Stranraer. Joint working between local authorities and the Scottish Enterprise network has grown strongly. Other sectors including higher and further education, tourism and the voluntary sector have also worked together." Mr Macdonald cited a number of ERDF projects he has recently visited in the South of Scotland, including the 7 Stanes mountain biking centres, the Crichton University Campus, North West Resource Centre, both in Dumfries and Ettrick Riverside in Selkirk.

"I am delighted that Structural Funds have been able to help with such imaginative developments. The most impressive aspect ... is the way in which different agencies are working together to deliver more than they could be working in isolation."

Looking to the future

The Minister confirmed the Scottish Executive's commitment to "recognise continuing regional disparities in Scotland" and that "resources should be focused on tackling regional and intra-regional disparities".

Mr Macdonald also stressed that First Minister Jack McConnell had "highlighted the challenges to Scotland of being on the periphery of Europe, as well as having our own distinctive regions which each has its own special concerns" (at the Informal Ministerial Meeting on Regional Policy in Rome in the Autumn of 2003).

Turning to the Third Cohesion Report recently issued by the European Commission he said: "It is clear that there is a lot to digest in the Cohesion Report and it will take time to work through the implications of the Commission's proposals... Structural Fund Programmes have brought benefits and provided a catalyst in promoting economic development in many areas."

However, he also highlighted some of the uncertainty facing the region and said, "The process of negotiation that lies ahead will be about limiting as far as we can the reduction in Structural



Funds support for Scotland's regions" and "ensuring that we have effective policies for addressing regional disparities and economic challenges."

He continued:
"The debate around the Commission's

proposals and those of the UK Government and others is certainly not over, but it will be essential that Scottish Ministers and our local and regional partners engage in the debate, in order to ensure we get the best possible deal over period ahead."

In closing he said "We must continue to make the best possible use of the funds we have in this region, build on the strength of identity and coherence which the Structural Funds programmes have helped the South of Scotland achieve, and work to get the best possible outcome from the negotiations over the way ahead".

Third Cohesion Report – Opportunities for the future

Professor John Bachtler

One of Scotland's foremost authorities on European Structural Funds, Professor John Bachtler of the European Policies Research Centre at University of Strathclyde outlined the contents of the recently published Third Cohesion Report by the European Commission.

Professor Bachtler said that the lowering of the average European Union Gross Domestic Product (GDP) figures as a result of the expansion of the EU was likely to lead to a reduction in Structural Funding in Scotland.

He also outlined the key objectives of future Cohesion Policy. In the past the priority of the EU Cohesion Policy had been on convergence of economies, but now there was a move to more balanced development, with all areas being eligible for funding. In addition, the focus of actions would be on innovation, accessibility and the environment. Radical changes could be made to State Aid rules and the intention was to make the implementation of the programmes simpler, but with greater accountability through decentralisation of work to "partnerships on the ground".

He went on to say that the South of Scotland faced challenges in securing structural funding in the future, stressing that "The priorities for the European Union are changing; it will be the poorer countries of

Eastern Europe whose income per head is a fraction of ours who will be getting the majority of funding in the future. There will be less left over for dealing with other problems such as those of the South of Scotland."

However, on a more upbeat note, he said: "The European Commission and some other Member States ... feel that the European Union should continue to provide support for areas like the South of Scotland. I would guess that there is a strong likelihood of there being some European funding being available after 2006."



"There is an important case to be made at Scottish Executive and UK Government level and indeed at European Union level in Brussels so that issues of concern in the

South of Scotland get more prominence."

Conference Report – 2004 South of Scotland Strategic Partnership Conference

Partnership working at a local level

David Hume - Scottish Borders



David Hume, Chief Executive of Scottish Borders Council outlined the New Ways Economic Strategy for the Borders. He described the New Ways Strategy as “a framework for putting people, communities and businesses at the heart of planning for prosperity”. The strategy aims to:

strengthen the local economy; create sustainable thriving communities; and protect and enhance the environment. Mr Hume also stressed that the economic

strategy had a number of inter-related elements, focused on the needs of business, people, place and communities.

“We need to stress our partnership working, our focus on outputs and delivery and indeed our work with trans-national partners elsewhere in Europe... We have got a really extraordinary quality of partnership working here.”

David Rennie - Dumfries and Galloway



David Rennie, European Manager with Scottish Enterprise Dumfries and Galloway outlined the recently published Five Year Economic Development strategy for Dumfries and Galloway. Key aims of the plan include: creating civic vibrancy through the regeneration of Dumfries

town centre and Stranraer waterfront; nurturing a more innovative dynamic and outward looking private sector; developing the Crichton campus in Dumfries to

attract funding and expertise in specialisms with a modern economic relevance; and ensuring that the lifestyle offered in the region is able to attract and retain people of calibre.

“The vision for Dumfries and Galloway is to create a more modern, wealth creating economy, yet still appreciating the importance of our traditional industries.”

European Programme Updates

South of Scotland Objective 2 Programme



Donald MacKinnon, Director of the South of Scotland Objective 2 Programme provided an update on the performance of the programme. Mr MacKinnon outlined the financial position of the programme, having committed 70% of available funding to date, and achieved the ‘n+2’ spending target in 2003.

He then went on to highlight examples of the many projects funded throughout the region, from business support, to investment in training infrastructure, tourism promotion and area regeneration.

“The Objective 2 Programme wholeheartedly supports the mission of the South of Scotland region to become a confident, creative community realising its potential in a global economy.”

Scottish ESF Objective 3 Programme



Christine Mulligan, Chief Executive of the Scottish ESF Objective 3 Programme detailed the scope and performance of the programme to date. She outlined changes to Objective 3 following the Mid Term Evaluation, including a reduction in the number

of measures from 15 to 10, and a widening of the eligibility criteria for funding.

“The Objective 3 Programme will continue pro-active development of projects under the Rolling Programme measures and will promote best practice in areas such as horizontal themes.”

Innovative Actions Programme



A new European Union funded programme in Scotland, called Innovative Actions, was launched in the South of Scotland by Senior Programme Manager Dianne Greenlees. She stressed that a key strategic goal of the EU under the so called Lisbon Agenda is for Europe “to become the most competitive and dynamic knowledge-based economy in the world”.

The £6m Innovative Actions Programme in Scotland will provide funding to explore new innovative methods and practices in regions where development is lagging. In addition, it provides opportunities for knowledge and learning exchange across Europe, allowing experimental projects to be undertaken which would not be eligible for support through mainstream Structural Funds programmes.

“The Innovative Actions Programme aims to create an innovative and competitive Scotland.”

Workshops – your chance to have your say

Conference attendees broke into four workshops to consider how the Third Cohesion Report would impact on the development of an innovative, competitive, knowledge-based economy in the South of Scotland and what opportunities and challenges were faced by the region in the future.

Key points from the workshops included:

- The South of Scotland has developed a strong regional identity and it is important to build upon this for the delivery of economic regeneration in the future.
- A strong higher and further education sector in the region is essential to help nurture innovation in the area, and to develop dynamic, high growth businesses.
- It is important to recognise the demographic changes, which provide both challenges and opportunities. Challenges take the form of the large number of young people leaving the area, and opportunities are presented by the under utilisation of the skills of many sections of the population, particularly women and older residents.
- Have the confidence to raise the profile of the region – ensuring our needs are recognised by those at all levels and being proud to promote all that is good about the region.



What you thought of the event

95% of attendees rated the relevance of the day as either ‘excellent’, ‘very good’ or ‘good’.

86% of attendees rated the quality of the information presented as ‘excellent’, ‘very good’ or ‘good’.

The Mountainous South

The Southern Uplands are now officially a mountain region! The European Commission has just published a report on Mountain areas in Europe, which defines the Southern Uplands as a **mountainous massif** along with the Highlands, the Pyrenees and the Alps.

The Southern Uplands Partnership (SUP) has been working hard to raise the profile of the Southern Uplands as a unique land mass and to stimulate rural development and is delighted that the strong identity of the South of Scotland has been enhanced by this news.

Pip Tabor, Project Manager at SUP said, "After 2006, funding from Europe is likely to be targeted at mountainous areas so it is a very important announcement".

From the Partnership offices in Galashiels, the ethos is that progress is best made through developments that work on more than one level, for example, nature based tourism (NBT). By using the wildlife resource to attract visitors a higher value is put on protecting the environment locally, visitors come into the area and spend money, and by working together small attractions can hold visitors longer - generating more bed nights. Currently the Partnership is pursuing the NBT theme through the European funded South of Scotland Countryside Trails; equestrian tourism; black grouse viewing proposals; a relaunch of the Southern

Upland Way and a booklet and website promoting the Southern Uplands.

An exciting new initiative is about to launch linking under-used facilities on large estates to entrepreneurial aspirations in the surrounding communities. The aim is to help individuals develop business ideas that can be based close to their homes, establishing micro businesses that in time could employ others and help keep small communities alive. It is hoped that some truly innovative proposals will come from this project. The support of Buccleuch, Roxburghe and Douglas & Angus estates mean that those taking part have major players on their side.

It is the nature of the Partnership, and of project work, that there are always a large number of proposals at various stages of development. The SUP is currently also engaged with moorland management, renewable energy, affordable housing and woodland management.



www.sup.org.uk

Latvians learn from South of Scotland experience



"I am delighted to have visited Scotland's rural south. As we prepare for our membership to the European Union on 1st May 2004 we are taking this opportunity to see at first hand how European Structural Funds are managed. What I have seen and learned during this visit will certainly assist the development of systems to manage Latvia's European programmes."

Gunta Medne

Programme Director Donald MacKinnon with Gunta Medne, Ieva Braunfelde and Iveta Zemture from the Latvian Treasury visiting Ettrick Riverside in Selkirk.

The Deputy State Treasurer of the Republic of Latvia, Gunta Medne visited the South of Scotland recently to learn more about how European Structural Funds programmes are managed and implemented.

Latvia was one of the 10 new member states to join the European Union on 1st May. The Country has a population of 2.3 million people, with its capital, Riga, accounting for around a third of this number. The country is on the shores of the Baltic Sea and became part of the Soviet Union in 1940, and in August 1991 regained its independence.

Latvia will implement a Structural

Funds programme based on four priorities: Territorial cohesion; innovative enterprises; employment and training; and rural development, agriculture and fishing.

During her visit to the South of Scotland Ms Medne learned of the financial and management systems in place to implement the South of Scotland Objective 2 Programme at the European Partnership offices in Dumfries.

Afterwards, Ms Medne visited some of the projects to benefit from European Structural Funds investment including the Crichton University Campus and Business Park in Dumfries and Ettrick Riverside Business Creation Centre in Selkirk.

More examples of how European Structural Funding is making a difference in the South of Scotland

Doors open at Eastgate

The town of Peebles now has a new state of the art cultural centre. The Eastgate Theatre and Arts Centre was opened by HRH The Princess Royal on 7th April 2004.

The organisation behind the theatre complex, Borders 1996 Company Ltd, was awarded £345,000 of European Regional Development Funding towards the £3m project in 2001.

The project, which had been in the planning stages since the late 1990s involved the transformation of the 160 year old former St Andrew's Church in the heart of the town into a state-of-the-art centre for music, drama, film and visual arts. The facility includes a 244 seat auditorium as well as a flexible studio space, suitable for a range of different events including drama and dance workshops, corporate functions, meetings and exhibitions. The facility also boasts a café and has full disabled access.

“People have really taken the theatre to their hearts ... and the audiences just get bigger and bigger.”

Mary Sheilds, Eastgate Director



www.eastgatearts.com

Development of Green Tourism in Galloway

The South of Scotland has a strong environmental heritage, and now European funding is being used to realise the economic potential of the region's beautiful landscape.

ERDF investment of over £200,000 has been used to support the development of Galloway's four RSPB Scotland reserves at Mull of Galloway, Wood of Cree, Mersehead and Ken-Dee Marshes into environmental tourist attractions, as part of an initiative worth almost £900,000. At the opening of the new bird hide earlier this year at Ken-Dee Marshes reserve, RSPB Scotland's Paul Collin said: " In addition to the new hide, we have been able to improve sign and interpretation boards, resurface the trail and install cycle racks".

Donald MacKinnon said "This type of 'green tourism' initiative further demonstrates the direct link between protection of the environment and the provision of economic benefits to the local area. The RSPB is one of the largest charitable organisations in the UK, with over one million members. I hope that the ERDF supported improvements to the reserves in the South of Scotland will bring more visitors to the area, whilst protecting the very aspects which attract

them - our beautiful natural environment and our wildlife."

Another of the project's backers, Alastair Clark of Scottish Natural Heritage said: "This is a great example of how conservation of wildlife can benefit the local area. By improving visitor facilities, the partner organisations have ensured that more people will be able to enjoy this beautiful area."

Martin Henderson of Hensol Estate, along with Donald MacKinnon of SOSEP at the opening of the Douglas Park Hide on the RSPB Scotland's Ken-Dee Marshes Reserve.



www.rspb.org.uk/reserves

Secretary of State visits Euro-funded projects

The Secretary of State for Scotland, The Rt Hon Alistair Darling MP was in the South of Scotland region recently. During his tour he visited ERDF supported business and training infrastructure developments and an SME which has benefited from ERDF support.

Mr Darling firstly called into the Crichton University Campus and Business Park in Dumfries to hear how £2.5m of European Regional Development Funding has been invested. He then visited one of the site's largest employers, Patientline UK Ltd, who provide hospital bedside entertainment facilities.

Mr Darling said: "I am delighted to have been given the opportunity to visit Dumfries and Galloway to see how European Funding has been able to benefit so many local projects."

After visiting the Crichton, Mr Darling travelled to Dalbeattie to visit a new high tech business in the town. E-Teq specialises in computer controlled engineering techniques involving laser profiling and press braking and has received support from Scottish Enterprise Dumfries and Galloway through an ERDF project.

The Secretary of State was shown round the facility by Colin Hutchison, E-Teq's Managing Director, and Murray Stewart, the firm's Finance Director. Mr Darling praised the skilled nature of the company's work. He said: "These are skilled jobs and the kit they are using is sophisticated state-of-the-art equipment. They do work here for local businesses which would otherwise have to be sourced from other parts of the country."

"What is absolutely essential for the future of the whole country is that we develop expertise in high-tech skilled industry. That is where the jobs are going to be in the future and this is a fine example."



Alistair Darling MP shown round E-Teq's Dalbeattie factory by the firm's Finance Director Murray Stewart

FUTURE ROUNDS

Key dates for the coming year include:

Formal decision on 8th round:	14 July 2004
9th round closing date:	16 September 2004
Formal decision on 9th round:	15 December 2004
10th round closing date:	14 April 2005
Formal decision on 10th round:	13 July 2005

Partner organisations are strongly encouraged to contact the PME to discuss any potential project ideas prior to submission of applications.

Scotland's MEPs

Following the European elections on 10th June the following members have been elected to European Parliament:

- | | | |
|----|-------------------|------------------|
| 1. | David Martin | Labour |
| 2. | Ian Hudghton | SNP |
| 3. | Struan Stevenson | Conservative |
| 4. | Catherine Stihler | Labour |
| 5. | Elsbeth Attwooll | Liberal Democrat |
| 6. | Alyn Smith | SNP |
| 7. | John Purvis | Conservative |

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