

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?

Over-emphasis on identifying and supporting ‘high-growth’ companies and on increasing R&D expenditure. Micro-businesses, which dominate Scotland’s economy grow, often more organically and by introducing new products, services and activity that is not the product of nor measurable by increased R&D expenditure. Either other metrics need to be developed and used, or other routes of support need to be included, if you are not to ‘marginalise this growth.

Similarly smaller and rural settlements often need revenue funding as much or sometimes more than larger capital investments to regenerate. Thus the emphasis being given in the Scottish Regeneration Capital Grant Fund is less likely to secure ‘equitable’ regeneration of the small and rural settlements, than it will for Larger towns and urban neighbourhoods, despite both urban and rural territories are named in the Investment Priority,

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

Land-dependant businesses and employment, and allied sectors such as food and drink and tourism are important economic drivers in many rural communities and areas of Scotland.

However, there are already many enterprises and employers operating from rural areas and communities with little dependency on rural Scotland’s semi-natural environment, or its residential and visitor consumers. Indeed if Scotland is to retain more young people, especially as the proportion completing further and higher education increases; or attract more residents with higher, diverse skills and knowledge, it is imperative that rural enterprises are supported to start and sustainably grow that utilise and nurture diverse and higher skills and knowledge.

In this context, alignment between the European Structural Funds (ERDF and ESF) and “rural micro and small business development”; “rural sector qualifications” and “rural advisory services” described in Section 6 as likely EAFRD activities, will continue to marginalise these important and growing drivers of rural economies’ growth. This description remains too one-sided, placing the emphasis on *alignment* by those leading EAFRD funds rather than *integration* and *embeddeness* within the lead Business (EFRD) and Social (ESF) funds, and suggesting that the EAFRD remains the principal place for supporting such diversification and growth.

Rural barriers and potential need to be understood and embraced by most of the named organisations and partnerships developing and delivering business competitiveness, employment support, and sustainable and low carbon programmes. The Scottish Government should encourage, and indeed seek evidence of, such mainstreaming of rural

and coastal economies opportunities and needs into the EFRD, ESF and ETC by those leading these Funds at this Strategic stage.

Smart Growth, Sustainable Growth and Inclusive growth is as relevant to rural as to city Scotland. These European Funding Strategies can only be inclusive if the EAFRD is not presumed by most business, employment, social, sustainability organisations and leaders as the fund to support all or most rural needs, but recognised as the fund for those land and/or environment-dependant sectors and activities that have sufficient distinctiveness of nature, need or governance to be inadequately or incapable of being addressed by the larger European Structural and Investment Funds.

Failure to substantially improve the messages of rural and coastal integration in the Scottish Government's strategic planning and its advice to other organisations, might lead to the kind of separation and marginalisation of rural enterprise and economic needs that has been evident in many draft European Structural and Investment Funds prepared last year by English Local Enterprise Partnerships. Please avoid this.

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?

No Comment

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.

No Comment

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

No Comment

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

No Comment