

## 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?

### **SUSTAINABLE GROWTH**

We welcome the focus on sustainable growth and the promotion of carbon reduction. This is a broad agenda and there is the risk that a focus on energy production and high tech solutions will not result in the most cost effective delivery.

Energy efficiency and demand reduction remain the most cost effective measures in reducing the overall carbon emission and so facilitating an overall low carbon society. There continues to be the need to developing appropriate solutions for the Scottish Housing stock both in terms of technical measures and their delivery. Energy efficiency does not achieve the high profile that renewable energy production achieves and to ensure that appropriate support is provided it should be included as an investment priority under Section 8 – Low Carbon Infrastructure Development Fund.

Within the consultation document there are not detailed proposals given for the other Investment Priorities and it states that investigation will take place as to how to cover the range of activity proposed. Areas that should be included in this investigation are:

- How European Structural Funds can support delivery of the Scottish Government Home Energy Efficiency Programme Scotland (HEEPS) to ensure that the scheme is able to be delivered across Scotland and that the economic benefit in terms of jobs and skills are retained within the local community.
- How the traditional building industry can be supported to be able to deliver wide ranging energy efficiency activity incorporated in to their conventional retrofit programme. The marginal cost of energy efficiency work during retrofit activity is relatively small and the expansion of such activity would lever in finance from householders.
- Research and innovation development in to energy efficiency within both the existing housing and building stock and new developments to ensure that the physical measures promoted reflect the physical environment across Scotland and the physical attributes of the Scottish housing and building stock. Such research must include in-situ evaluation of homes and workplaces in occupation and not be limited to theoretical modelling.
- The support for local energy supply companies with a particular focus on renewable energy and district heating.

The focus of the programme is likely to be technological solutions or physical measures. It has been well established that theoretical savings or level of efficiencies achieved are not achieved in practice. Therefore alongside all programmes a complementary programme focusing on behaviour change and implementation support is required. This applies to both section 8 and 9.

**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.

We understand some of the drivers in the proposals to establish more strategic interventions and larger delivery partners. There is though a very real risk that this will result in only funding the more established and larger organisations. It is likely that it will be difficult for SMEs and third sector organisations to access European Funding so limiting innovation and entrepreneurship. We do recognise that some support is likely to be provided for these sectors but it is likely to be as part of a pre-defined programme with very limited opportunities for either SMEs or third sector organisations to develop proposals and drive innovation.

Innovation and entrepreneurship will not be achieved solely by having representatives on SDP or similar. Within all investment priorities there should be an element of challenge funds which will encourage innovation.

In the past the provision of match funding has often been a deterrent to organisations so we very much welcome the general inclusion of match funding.

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