

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?

On behalf of the West of Scotland Loan Fund, we welcome the opportunity to comment on the proposed European Structural and Investment Funds 2014 - 2020 Programmes. This response is restricted to commenting specifically on financial engineering instruments given the nature and scope of the activities of the West of Scotland Loan Fund.

In addition to the proposed 3 investment priorities and after discussion with our partners, it is suggested that a separate Priority axis be created for Financial Engineering Instruments, with £80 million - £100 million set aside to set up an Access to Finance for SMEs Holding Fund as described in the paper considered and strongly supported by the Competitiveness, Innovation and Jobs Shadow Strategic Delivery Group.

This reflects a jointly agreed approach by the major players in Financial Engineering Instruments and Access to Finance for SMEs, including Scottish Government, Scottish Enterprise, Local Authorities and Highlands & Islands Enterprise.

A clear focus and high priority on access to finance for SMEs is underpinned by the Scottish Government's economic strategy and a separate Priority, as suggested, would reflect the substantial market failure evidence on SMEs' access to finance needs. This could include the provision of loan finance up to £100,000 that would be delivered by a pan Scotland local authority led loan fund.

It would also re-affirm Scotland's place at the EU level as a leader and innovator in the field of Financial Engineering Instruments and it would reflect the growing importance which the Commission places in the utilisation of Structural Funds to develop financial engineering instruments for SMEs. The proposal could also be considered as a standalone major project in the 2014 - 2020 Scottish Programmes.

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

It is acknowledged European Structural and Investment Funds should complement one another to avoid overlap and duplication where ever possible. The high degree of complementarity between the ESI Funds, Horizon 2020 and COSME reflects the Commissions priority to use ERDF structural funds to develop financial engineering instruments in the 2014 – 2020 programme.

In terms of SME competitiveness and access to finance in particular, it is recognised rural businesses will have access to finance needs and this can and should be addressed through the proposed financial engineering instruments mentioned above.

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?