

European Structural and Investment Funds (EISF)

Summary

1. The European Structural and Investment Funds (ESIFs) are the European Union's (EU) main way of investing in 'smart, sustainable and inclusive' growth in its member states.

2. In Scotland, the fund is split into two distinct funding programmes, each supporting various social and economic projects, programmes and activity within the Highlands and Islands (H&I) and Lowland and Upland Scotland (LUPS) regions. Details are as follows:

- The **European Social Fund (ESF)** supports the Government's Economic Strategy through investment in skills and social inclusion, aimed at accessing employment or up-skilling workers through training.
- The **European Regional Development Fund (ERDF)** supports our Economic Strategy through investments in infrastructure, innovation, support for business (such as access to finance) and research and development
- The current 2014-2020 programme is due to end in December 2020. Projects and programmes will have until 2023 to complete projects and spend committed funding.

3. Both programmes have played a significant role in developing Scotland's economy through investment in skills and infrastructure for many years. It is essential; therefore, that Scotland does not lose valuable funding when the UK leaves the EU.

4. The loss of EU funding (worth approximately £2.1 billion per year across the UK – including ESF, ERDF, agriculture and fisheries programmes) will have a significant impact on the ability of the Scottish Government and its partners in local authorities, funding bodies and enterprise agencies to deliver services and infrastructure initiatives that support Scotland's economy.

Shared Prosperity Fund

5. The UK Government (UKG), issued a statement on 24 July 2018 setting out its plans for a 'Shared Prosperity Fund'. The statement provided details of five key upon which the Fund will be developed:

1. the objective of the fund is to tackle inequalities between communities
2. a simplified and integrated fund
3. the UKG respecting the devolution settlements.
4. that details of the fund will be announced following the Comprehensive Spending Review and in line with the UK Industrial Strategy
5. that the UKG will issue the consultation by the end of 2018.

CONVENTION OF THE HIGHLANDS AND ISLANDS (COHI) – OCTOBER 2019

6. Since the last meeting of COHI in March 2019, the UKG has failed to provide further detail on its plans for the Fund and no consultation paper has been published. Given this lack of detail, coupled with the added pressure linked to the closure of the current programme scheduled for December 2020, the Minister for Innovation, Trade and Industry (Ivan McKee), announced on 26 June, his intention to set-up a Steering Group to oversee the consultation on replacement funding programmes for Scotland.

Steering Group

7. Following this announcement, the minister invited representative with a strong background and experience in the delivery of social and economic policies and targets and mechanisms for the management and delivery of high profile funding programmes. Members do not attend meetings to represent their constituent parties and group.

Confirmed members are as follows:

- Professor David Bell (Chair) – University of Stirling
- Professor John Batchtler – University of Strathclyde
- Rob Clarke – Highlands & Islands Enterprise
- Douglas Colquhoun – Scottish Enterprise
- Anna Fowle – SCVO
- Cllr Steven Heddle – COSLA
- Malcolm Leitch – Scottish Local Authorities Economic Development
- Professor Russel Griggs – South of Scotland Enterprise Agency
- Gary Gillespie – Scottish Government
- Richard Rollison – Scottish Government

8. The Steering Group first met on 16 September to discuss and endorse the terms of remit and objectives. The planned national consultation exercise will be launched in the Autumn, supported and supplemented by national stakeholder workshops during which the Steering Group will encourage dialogue and feedback from stakeholders.

9. The final report and recommendations will be submitted to ministers Spring 2020.

**European Structural Funds
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