



**EXPERT EVALUATION NETWORK
DELIVERING POLICY ANALYSIS ON THE
PERFORMANCE OF COHESION POLICY 2007–2013**

**TASK 2: COUNTRY REPORT ON
ACHIEVEMENTS OF COHESION POLICY**

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**A report to the European Commission
Directorate–General Regional Policy**

Contents

EXECUTIVE SUMMARY	3
SECTION 1 – SOCIO-ECONOMIC CONTEXT	5
SECTION 2 – THE REGIONAL DEVELOPMENT POLICY PURSUED, THE EU CONTRIBUTION TO THIS AND THE POLICY ACHIEVEMENTS OVER THE PERIOD	9
SECTION 3 – EFFECTS OF INTERVENTION	21
SECTION 4 – EVALUATIONS AND GOOD PRACTICE IN EVALUATION	25
SECTION 5 – CONCLUDING REMARKS – FUTURE CHALLENGES	34
REFERENCES.....	36
INTERVIEWS	39
TABLES	41

EXECUTIVE SUMMARY

The regional development policy pursued and the contribution of the ERDF

There are a number of different ways in which regional development problems can be conceptualised but in its National Strategic Framework the UK Government argued that the less-well off regions were growing too slowly relative to the more prosperous regions in the United Kingdom. The cause of their relatively poor growth was held to be a lack of relative competitiveness which required measures to enhance the growth of their productivity by tackling the *drivers* of skills, enterprise, innovation, competition and investment. The macroeconomic environment in which ERDF has been deployed has been harsh. The weaker regions have suffered the most. They will continue to do so since they are sensitive to relatively slower economic growth and decline in public sector employment resulting from fiscal consolidation.

The drivers approach is applied across *all* UK regions and thus those eligible for support under *both* the Convergence and Competitive Objectives of Cohesion Policy. Each individual devolved delivery agency decides how much of its resources (both ERDF and those that it has received from National regional Development policy funds) it wishes to use to tackle each individual driver and where, in its region it wishes to allocate these funds. Clearly, where a spatial focus is deemed appropriate it will seek to allocate more of its funding to the weakest and most needy areas within its region. The allocation of Cohesion Policy funding across the United Kingdom (and corresponding national funding for regional development) reflects the broad severity of regional problems and, in line with the drivers approach, the extent of the competitiveness problem. In the majority of cases it is not possible to distinguish the impact of ERDF from other sources of regional development funding.

In general, programmes are being implemented in line with what was planned. Expenditure and commitment has been slow to get-off the ground but is now catching-up. Across the United Kingdom, Programme delivery and take-up is accelerating and in some areas funding is now almost fully committed. However, the economic environment is still fragile and it is a time of fiscal austerity. Finding matching funding is now a major challenge and there is little indication that the position is going to improve in the medium term.

Outputs thus far are relatively limited but are beginning to build. However, even allowing for the relatively slow start the general conclusion is that the employment information on the AIR database is probably under-recorded as at March 2009. It would be helpful if the indicator information from each individual AIR was assembled to provide an aggregate overview of the position for England, Scotland, Wales and Northern Ireland separately.

The effect of the funding received on the development of the regions supported

The general consensus across the regions is that it is too early to be able to detect significant impact and the evidence on the draw-down of funds and outputs achieved reinforces this view. Funds are being used to strengthen the capacity of the regions, particularly in the face of new opportunities and threats. In the **Convergence** regions the funds are helping to create business opportunities in the low carbon economy, promote environmental friendly led growth and promote renewable energy infrastructure with a particular emphasis on wind, wave and tidal technologies. The Funds have helped to combat the adverse effects of the recession. ERDF is making a valuable contribution to helping regions adapt to structural change and enhance the resilience of the regional economy to overcome the legacy of the industrial past.

In the **Competitiveness and Employment** regions ERDF is making a valuable contribution to helping the regional economies get through recession, particularly by providing finance and facilitating land remediation projects. The emphasis is on building business competitiveness and realising new market opportunities. The focus of delivery has remained on providing support for high growth businesses that will broaden the economic base and thus the region's resilience to economic change. ERDF has been used to establish JESSICA investment funds and JEREMIE venture capital and loan funds. Following permission from the Commission funding is being used to stimulate activity on energy conservation and housing. Particular importance has been given to recognising the European Union's New Industry New Job agenda¹ as well as the need for investment in low carbon industrial and renewable energy strategies as promoted by the UK Government in 2009.

The evaluations carried out and main gaps

There has not been any *national programme* wide evaluation of the impact of the 2007–2013 ERDF at the present time. There is mid-term evidence emerging particularly across the English regions that has assessed whether the 2007–2013 ERDF programme priorities remain fit for purpose in the light of the changing economic environment. There is also a substantial amount of evidence from the mid-term evaluations of the 2000–2006 programme ERDF interventions in England that review a number of process issues. This material has been used to produce a Good Practice Guide for English ERDF (and ESF) Programmes for the period 2007–2013. There is a good comprehensive review and assessment of the impact of Structural Fund interventions in Wales (WEFO, 2005). There are also evaluations of specific *programmes* where ERDF has made a valuable contribution and good examples of this are to be found in the Scottish evaluations of the use of ERDF on business finance and innovation initiatives. Although there is little by way of impact evaluation of the 2007–2013 ERDF programming round itself, there are other sources of

¹ See <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=431&furtherNews=yes>

relevant evaluation evidence (as described in Section 4 of this Report). These evaluations provide a particularly rich source of evidence with which to gauge success in building the capacity of regional innovation networks and the provision of finance for business. There has also been research in the United Kingdom recently that provides valuable benchmarking evidence on programme deadweight, displacement, substitution, multiplier effects and net additionality. This evidence will be of value in assessing the net impact of ERDF over the period 2007–2013 (BIS, 2009).

The major challenges for the future are the fragility of the economic recovery and the possible impact of fiscal austerity. Both are likely to affect the weaker areas within the UK regions more than other parts. Changes in the value of sterling relative to the euro may present further challenges particularly at a time when there is limited flexibility in matching funding. However, a further possible challenge is that the UK's new Coalition Government has abolished the Regional Development Agencies. Much remains unknown as to what the new arrangements for managing and implementing regional development policy on the ground will be and what it will mean for the delivery of resources from the ERDF although it is likely that the role of the Regional Development Agencies will be replaced by Local Enterprise Partnerships.

SECTION 1 – SOCIO-ECONOMIC CONTEXT

The nature of the regional problem in the United Kingdom

The United Kingdom National Strategic Reference Framework (UKNSRF) (DTI, 2006) provided an overview of how the Government defined the regional problem and its underlying causes. The approach was in line with that described in *A Modern Regional Policy for the United Kingdom* (HM Treasury, 2003)².

There are a number of different ways in which regional development problems can be conceptualised but in its National Strategic Framework the UK Government argued that the less-well off regions were growing too slowly relative to the more prosperous regions. The causes of their relatively poor growth were identified as a lack of relative competitiveness. To enhance their competitiveness requires measures to enhance the growth of their productivity and to increase their ability to use their labour more effectively (as measured by their employment rate). It is generally recognised that the ability of regions to grow is influenced by their economic structure and the quality of their resource base. Across the United Kingdom, some regions have found it hard to shake-off the legacy of the past and secure higher value added sectors to replace their declining industrial sectors. An inability to secure new

² (http://webarchive.nationalarchives.gov.uk/+http://www.hm-Treasury.gov.uk/consultations_and_legislation/modern_regional_policy)

investment from the private sector has often meant that the less prosperous regions have become relatively heavily dependent on the public sector for income and jobs, a factor to which we return below.

The factors that tend to impede the ability of regions to attract new investment can vary considerably. In the more rural areas in the United Kingdom a lack of access and thus infrastructure can be a problem. In the older urban areas replacing worn-out and inadequate infrastructure has been an issue. In all regions the need to ensure that workers have the right skill base to meet the needs of new industries has remained of central importance.

Some insight into the nature of the regional development problem across the United Kingdom can be obtained by considering the data presented in Table 1³. The two **Convergence regions** in the United Kingdom are Cornwall and the Isles of Scilly and West Wales and the Valleys. There were two and a half million people in these regions in total by 2007. Cornwall and the Isles of Scilly has been experiencing relatively faster growth in population in recent years. Over the period 2000–2006 population grew at 0.9% per annum whilst UK growth was around 0.5%, 0.4% for the EU27 and only 0.3% in the West Wales region. The two convergence regions differ in their rural nature with West Wales having 59% of its population in predominantly urban areas whilst Cornwall and the Isles of Scilly are mainly rural.

GDP per head in the Convergence regions overall was 75% of the EU27 average in 2000 and this remained broadly the same at 74% by 2007. Both areas thus have a GDP per head that is well below the UK average (which was 17% above the EU27 average by 2007). Growth in GDP per head was 1.9% over 2000–2006 for the two regions overall compared with 1.6% for the EU27 and 1.8% for the UK. However, there was a significant difference between the two regions with Cornwall growing at 3.4% and West Wales only 1.6%. This broad differential continued over 2006–2007 with 2.3% per annum in Cornwall and 0.5% in West Wales compared with 2.8% in EU27 and UK at 1.8%. The effects of economic recession have affected the UK hard and growth in GDP per head slowed to –0.7% over 2007–8 compared with 0.1% across the EU27 and it can be expected that Cornwall probably managed to continue to grow somewhat, whilst West Wales and the Valleys may even have declined (there are no actual figures for the two regions as yet).

The relative better growth figures for Cornwall and the Isle of Scilly compared to West Wales and the Valleys can be partly explained by the differences in their degree of urbanisation and industrial composition. West Wales and the Valleys is relatively urbanised and had a larger proportion of its employment in industry at the start of the period. In general the more urban areas in the United Kingdom have found it more difficult to restructure and improve their relative competitiveness compared to relatively accessible environmentally attractive rural areas

³ See Excel file for Table 1

like Cornwall. It is of interest to note that in 2000 the UK had 19% of its employment in industry and this had fallen to 14% by 2007. There was 16% industrial employment in Cornwall in 2000 compared with 21% in West Wales and the Valleys. By 2007 the Cornwall proportion was down to 9.8%. West Wales and the Valleys were at 15%. Both Cornwall and West Wales had a smaller proportion of employment in private services than the national average but both Cornwall and West Wales also had a larger proportion of employment in public services and this increased further throughout the study period, a factor likely to make them particularly vulnerable to cut-backs in public expenditure.

The growth of productivity in the two regions remains a cause of concern and the Government has argued that there is a need for regional development policy to improve this. Thus, GDP per person employed in the UK as a whole was 11% above the EU27 average in 2000 but in Cornwall and the Scilly Isles, it was 27% below and 13% below in West Wales and the Valleys. By 2007 there had been little change in Cornwall and in West Wales, it had actually fallen. While there was a 1.5% pa growth in EU27 productivity and 2.6% in the UK over the period 2000–2006, growth in Cornwall amounted to 1.6% and in West Wales and the Valleys, productivity declined by 0.3% per annum over the period. It should also be emphasised that R&D expenditure in these two regions continues to languish. In 2007 R&D expenditure was 1.8% of GDP in the United Kingdom but only 0.2% of GDP in Cornwall and 0.7% in West Wales and the Valleys. Given the importance of R&D for regional competitiveness this has been another cause of concern for the UK Government as discussed below.

The employment rate in the two UK Convergence regions was 63.9% in 2000 and thus slightly above the EU27 average but well below the UK average of 71.2%. By 2009 there had been some relative improvement compared to the UK average with the UK at 69.9%, Cornwall at 69.5% and West Wales at 63.9%. The unemployment rate has historically been above the UK average with little change over the period. By 2009 UK unemployment was at 7.6% but 5.2% in Cornwall and 8.9% in West Wales.

The Highlands and Islands is the only Phasing-Out region in the United Kingdom and has experienced growth in its population slightly below the UK average over the period 2000–2006. This is a predominantly remote rural region and GDP per head was 80% of the EU27 average in 2000 which improved somewhat by 2007 when it was 13% below the EU27 average. The growth of GDP per head was quite rapid over the period at 3.4% compared with the UK average of 1.8%. Productivity was 17% below the EU27 average in 2000 and fell slightly up to 2007, while in the UK as a whole, productivity increased in relative terms. R&D expenditure continues to be much lower than either the EU27 or UK average.

The region's employment rate has improved during the study period to be above the UK and well above the EU 27 average by 2009. Thus, it was 73.7% compared with the UK at 69.9% and

EU 27 at 64.6%. Unemployment has not been considered a significant problem since it has been well below both the UK and EU27 averages. Educational attainment compares well with the EU and UK averages with a relatively large proportion of the population with tertiary education.

It is difficult to provide a concise summary of the baseline position for the **Competitiveness areas** since there are a very large number of them and regional development policy in the UK covers the whole of the country and not just lagging regions, an aspect to which we return below.

It is perhaps best to provide an insight by considering regions that are regarded as having some of the most severe problems and which have thus attracted relatively high levels of regional development assistance. A central problem for those regions that are experiencing problems is that they have lost economic momentum due to industrial decline and are seeking to restructure. Thus, the West Midlands Competitiveness region has been allocated some 11% of the total funds available. It has a population of around 2.6 million and had a GDP per head that was some 16% above the GDP average in 2000 but this declined to only 5% above by 2007 reflecting the impact of deindustrialisation. In the period 2000–2006 it experienced an average growth in GDP per head of only 0.3% compared with the UK average of 1.8%. The region's productivity was 10 percentage points above the EU average by 2007 and it experienced a higher growth in productivity relative to the national average in the 2000–2006 period. Its labour market has been badly affected by the impact of industrial decline and the employment rate was 61.4% compared with an UK average of 69.9% in 2009. Its unemployment rate was 13.1% compared with the national average of 7.6% in 2009. In 2007 it still had a relatively greater concentration of industrial employment relative to the UK average in 2007. R&D expenditure was 1.3% of its GDP compared to the national average of 1.8%.

Merseyside is an urban region in the North West that is also receiving a relatively high level of assistance. It is an urban area with 1.3 million population and has experienced significant population decline over the last fifty years. GDP per head is 17% below the EU27 average in 2007 and growth in GDP per head over 2000–2006 was 1.4% compared with a UK average of 1.8% nationally. The growth of productivity was only 0.7% pa over 2000–2006 compared with the 2.6% UK average. The employment rate was 8% below the UK average in 2009.

Unemployment at 9.4% is a serious problem compared with a 7.6% UK average. The region is heavily dependent on public sector employment.

Macroeconomic factors

Besides its focus on tackling the causes of poor regional competitiveness the UK Government has also placed emphasis on ensuring a stable macroeconomic environment to help the process

of regional development. Unfortunately, as the statistics in Table 2⁴ reveal, after a period which many have described as a second Golden Age there has been considerable macroeconomic instability. In 2007 the global economic crisis associated with the financial crisis in 2007/8 set-in, with a period of protracted economic contraction from 2008 onwards. In the United Kingdom there were six quarters when GDP declined. There is now concern as to what the effect of reductions in public expenditure may be on the economic recovery which is underway but at a relatively slow pace. A new age of fiscal austerity is likely to have a very significant impact on the economic growth of the assisted regions across the UK.

Changes in the macroeconomic environment have clearly had an adverse effect on all of the UK regions during the ERDF study period. Since the UK economy was growing at around 2.6% per annum up until the end of 2007 and then experienced a fall in GDP of -0.1% in 2008 and -5% in 2009, the environment in which ERDF has been deployed has been harsh and the evidence is that the UK regions that have the weakest economies have suffered the most and have experienced the largest job losses.

SECTION 2 – THE REGIONAL DEVELOPMENT POLICY PURSUED, THE EU CONTRIBUTION TO THIS AND THE POLICY ACHIEVEMENTS OVER THE PERIOD

THE REGIONAL DEVELOPMENT POLICY PURSUED

The UK identified convergence in regional economic growth rates to be one of its Public Sector Agreement Targets. Thus, ‘make sustainable improvements in the economic performance of all English regions by 2008 and over the long term reduce the persistent gap in growth rates between the regions, demonstrating progress by 2006’⁵.

The way to increase the productive performance of the assisted regions was to address the ‘drivers’ of regional productivity (Figure 1) that underpin regional competitiveness⁶. The Government identified five such drivers. These were skills (life-long training and education that raises productivity, broadens employment choice and raises individual self-esteem); enterprise (‘friendly’ tax and regulatory environment, culture to encourage risk taking); innovation

⁴ See Excel file for Table 2.

⁵ DCLG, 2006-PSA Target 2-Regional Economic Performance.

<http://www.communities.gov.uk/documents/corporate/pdf/psa-target2.pdf>.

⁶ HMT (2003) (Productivity in the UK: The evidence and the Government approach-
http://webarchive.nationalarchives.gov.uk/+http://www.hm-treasury.gov.uk/bud_bud01_adprod.htm

(development, diffusion and adoption of new technologies and processes); competition (boosts innovation, cost reduction and competitiveness) and investment (facilitated by integrated and efficient capital markets).

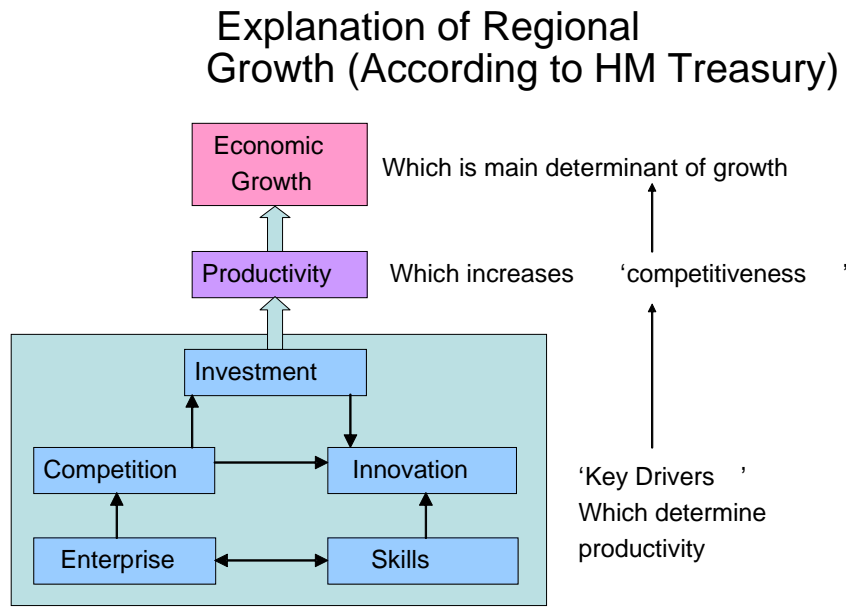
There are a number of ways in which each of the drivers can affect the underlying competitive advantage of assisted regions. Much emphasis has been given to innovation and also the development of skills. Each of the drivers can be affected by a number of factors. The Government has argued that there may be impediments to the workings of the market that prevent the right levels of skills, innovation and other factors being provided in slow growing regions. Overcoming market and, in some cases institutional, failures provides the rationale for policy intervention. The problems caused by such failures can vary substantially within and between regions and thus between urban and rural areas. It is also recognised that enhanced growth should be sustainable and square with national objectives centred on enhancing the environment and thus reducing CO2 emission. It should be emphasised that the drivers approach is applied across *all* United Kingdom regions and thus those eligible for support under *both* the Convergence and Competitive Objectives of Cohesion Policy.

During the period in which the National strategic Framework was developed, therefore, the UK Government argued that *national* regional policy was a policy for *all* UK regions although it was recognised that the extent of regional problems varied significantly both *across* and *within* an individual region. In recognition of this approach the UK Government established Regional Development Agencies (RDAs) that covered all the English regions. It had also legislated during the period to establish Devolved Administrations in Scotland, Wales and Northern Ireland. Under this approach, the part of Government funding that was identified *explicitly* as being under the auspices of *National Regional Development policy* was allocated to the RDAs in the *English* regions through the *Single Programme*, the allocation broadly reflecting a view of relative need. The allocation of National Regional Development policy funding across the English regions is actually more complicated since there are sources of what could be termed development funding available from national programmes that can be accessed by agencies and companies in the regions but which has not been allocated through the RDAs but this is not discussed further here.

The position in relation to National Regional Development policy funding to the Devolved Administrations is that the UK Government decides an overall block grant funding package for these regions and it is for their individual administrations, in the main, to decide their spending priorities and thus how much expenditure they commit to their part of the National Regional Development policy. This applies to the resources from the ERDF they receive as well as to funding from national sources).

It is up to each devolved delivery agency, therefore, whether in Scotland, Wales, Northern Ireland or in England, to decide how much funding it wishes to devote to tackling each individual driver. Further information on the thinking that has underpinned delivery in each region is given later in this section. It should also be recognised that there are a large number of areas covered, but that in general the allocation of Cohesion Policy funding across the United Kingdom (and corresponding national funding for regional development) reflects the broad severity of the regional problem and, in line with the drivers approach, the extent of the competitiveness problem. Thus, the funding shares summarised in Figures 2 and 3 reflect this judgement. The neediest regions generally get the most regional policy resource.

Figure 1 – Key Drivers of Regional Productivity



Source: Kitson, Martin and Tyler. Regional Competitiveness: An Elusive yet Key Concept? Regional Studies. December 2004.

The Government has stated that it is important to *coordinate* ERDF with other domestic policy support and in particular its approach to devolving the delivery of regional policy (Devolving Decision Making: Meeting the Regional Economic Challenge March 2004). EU funding support is deployed alongside other funding from national sources in line with the allocation of regional development funding and as we discuss later on in this Report it is thus not possible, nor sensible, in the majority of cases to seek to distinguish a differentiated impact.

In England this has been achieved through the RDA's Regional Economic Strategies and alignment with the RDA Single Programme funds in order to 'provide strategic fit, improve co-ordination of investment, and streamline processes for project commissioning, decision making and for programme management' (DTI, 2006). In deciding the best way forward attention has been given to understanding the problems faced by the urban areas as discussed in the *State of*

the Cities Report (2006). Where possible, delivery has been urged to take account of Interregional Growth Strategies (*the Northern Way*, *SMART Growth: the Midlands Way and the Way Ahead: Delivering Sustainable Communities in the South West*).

It should be noted that the UK's new Coalition Government has recently announced that it intends to change the delivery arrangements that are currently in place in England and to abolish the Regional Development Agencies over the period 2010–2011. Whilst it is not yet clear what the new arrangements underpinning the delivery of the Structural Funds in England will be it is likely that the role of the Regional Development Agencies in the delivery of Cohesion Policy will be replaced by Local Enterprise Councils (BIS (2010), CLG (2010)).

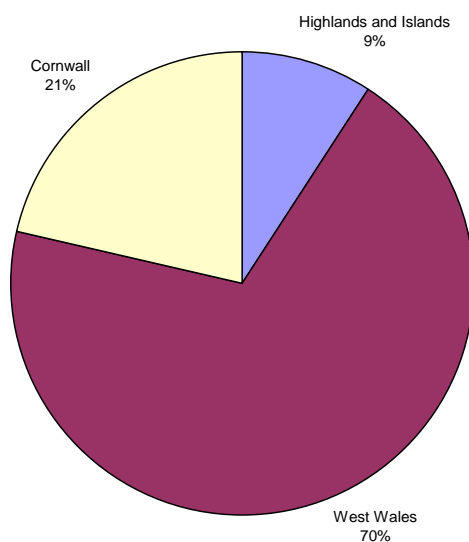
In Scotland the relevant Scottish Executive document strategy is the *Framework for Economic Development. Smart Successful Scotland* underpins the strategy across Scotland's Enterprise Network with additional input from *Smart Successful Highlands and Islands. Cities Visions* establishes strategic priorities across the six cities of Inverness, Glasgow, Edinburgh, Aberdeen, Dundee and Stirling. *Rural Scotland: A New Approach* has set-out the rural priorities. Other relevant documents that have provided a strategic input include the *Scottish Sustainable Development Strategy* (covering sustainable consumption and production, climate change and energy, protection of natural resource and environmental enhancement), *Securing a Renewable Future* (renewable energy commitments), the *Green Jobs Strategy* (business advantages from opportunities relating to sustainable development), *Building a Better Scotland* (detailing investment plans in core infrastructure). Two other relevant documents covering infrastructure provision are the *New National Planning Framework* and the *National Transport Strategy*. Issues relating to social inclusion were detailed in *Closing the Opportunity Gap*.

In Wales alignment has been with the Welsh Assembly's Government One Wales: A Progressive Agenda for the Government of Wales. Other relevant documents are the Wales Spatial Plan that emphasises coordination at national, regional and local levels and Wales: A Better Country that discusses key interfaces between the economic agenda, social justice, improvements to the environment and improvements in health and education. The Wales Sustainable Development Scheme – Starting to Live Differently, the New Environment Strategy for Wales and Making the Connections have also provided important inputs.

In Northern Ireland alignment is with the Economic Vision for Northern Ireland and the Regional Economic Strategy. Other relevant documents are the Investment Strategy for Northern Ireland, the Regional Development Strategy for Northern Ireland 2025, the Regional Transportation Strategy 2002–2012, the Northern Ireland Sustainable Development Strategy and Shared Future. A draft rural strategy for Northern Ireland has also made an input.

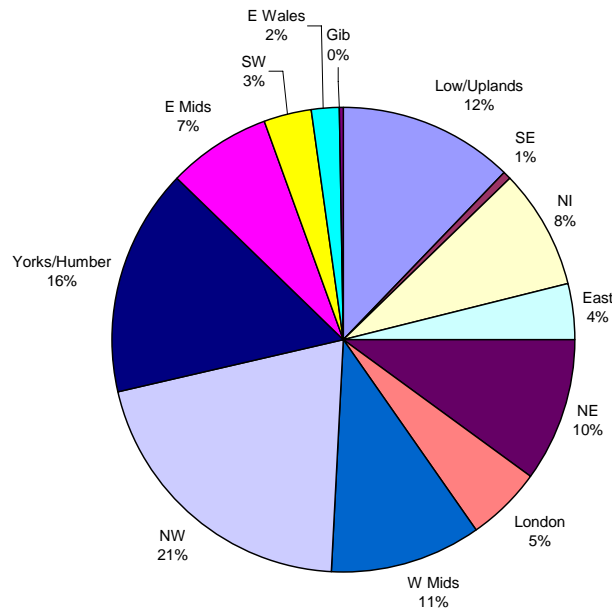
Figure 2 indicates how the 2007–2013 ERDF has been allocated under the Convergence Objective across the United Kingdom. Some 30% of the ERDF went to the Convergence regions of Cornwall and the Isles of Scilly, West Wales and the Valleys and the Highlands and Islands.

Figure 2 – Funding of OP (Union and National) Convergence Objective areas %



Source: (<http://cohesion-evalnet.eu/operational-information/official-document/tables-with-financial-data>)

The remaining 70% went to thirteen other regions under the Competitiveness and Employment Objective (Figure 3). The largest share went to the Convergence region of West Wales and the Valleys (nearly one quarter of the total funds available across both Objectives). The North West and Yorkshire Humberside received 25% of the ERDF allocation. Overall, England received 61% of the total ERDF, Wales 24%, Scotland 9%, Northern Ireland 6% and a small amount has been allocated to Gibraltar.

Figure 3 – Total funding of OP (Union and National) Competitiveness Objective areas %

Source: (http://cohesion-evalnet.eu/o_perational-information/official-document/tables-with-financial-data)

The United Kingdom National Strategic Reference Framework (DTI, 2006) described the main priorities behind the ERDF programme over the period 2007–2013 and these are discussed in line with the drivers of the competitiveness framework described earlier. It placed particular emphasis on enterprise and innovation through the promotion of research, knowledge transfer and commercialisation, the encouragement of entrepreneurship and support for the SME sector. It also encouraged environmental and community sustainability with an emphasis on innovative practice and the promotion of social and economic cohesion across urban and rural areas. The following describes how ERDF has been allocated by Priority Axis by individual region according to Convergence and Competitiveness objective.

Section 3 discusses for each area how priorities have been changed through the Programming period thus far to reflect the impact of the recession. In general changes in priority for other reasons across regions has not been significant in the programming period so far, with the main emphasis being on securing take-up against the *original* objectives (where these have been changed is indicated in Section 3). **Cornwall and the Isles of Scilly** is the only region in England that qualified under the **Convergence Objective**. On the basis of Priority Axis allocation the largest proportion went to enterprise and investment activities (27.6%), followed by transformational infrastructure (23.5%), unlocking the economic potential of place (24.4%) and innovation and research and development (20.9%). Activity relating to innovation and R&D has included support for innovation networks, encouraging companies to invest more in R&D,

commercialisation of business opportunities emerging from the knowledge base (i.e. encouraging spin-offs), encouraging opportunities for the transfer of technology particularly in the areas of the environment and conservation of energy and facilitating investment in incubators. Initiatives designed to support enterprise are directed towards companies in sectors with significant growth potential. Policy measures include a wide variety of business support measures for marketing and finance, as well as incentives to encourage entrepreneurship. There has been much interest in stimulating activity in tourism, environmental technologies, renewable energy, creative industries and the maritime industries.

Under the transformational infrastructure and unlocking the economic potential of place there are a number of measures to enhance accessibility through improved transport infrastructure, new investment in ICT including broadband usage and improving access to core services in both urban and rural areas. Some resources have also gone into regenerating town centres.

In Scotland the **Highland and Islands** qualifies for phasing-out Convergence Funding and the focus, as shown by the priority axis allocation, is on business competitiveness (40.8%), enhancing the key drivers of sustainable growth (31.6%) and enhancing peripheral and fragile communities (25.1%).

More specifically, the promotion of business competitiveness involves enhancing the research and innovation capacity of the region. The broad thrust of this policy is to improve the teaching and research capacity of the region's higher education institutions and encouraging opportunities for the commercialisation of research. Reinforcing community sustainability has also been seen as a critical component of the overall approach. The objective is to find ways to distribute growth across the region. Actions include building transport links, enhancing communication technology and supporting community economic development. The improving economic infrastructure priority seeks to minimise the effect on economic development of peripherality by targeted support on transport and communications infrastructure.

In the **West Wales and the Valleys** Convergence region, the largest share of funding by priority axis is allocated to developing strategic infrastructure for the modern economy (27.1%), followed by building the knowledge based economy (25.7%), improving business competitiveness (17.6%), creating an attractive business environment (17.8) and building sustainable communities (9.8%).

In building the knowledge based economy the four main areas are building the region's research, technology and innovation capacity and its ability to commercialise research, supporting entrepreneurship and the growth of business with a focus on clusters, improving access to business finance and the enhancement of targeted ICT infrastructure.

Creating a favourable business environment is a main priority and actions under this heading, which includes strengthening transport infrastructure, promoting the environment as a sector

for business growth including developing clean and renewable energy and increased energy efficiency and exploiting the economic potential of maritime and inland water assets.

In building sustainable communities, policy measures are aimed at tackling deprivation and coordinating physical development with community economic development. Initiatives are underway to support the development of sites and premises including brown field sites, improving landscapes in urban and rural areas and building the capacity of the social enterprise sector including developing social capital.

In England under the **Competitiveness and Employment Objective**, the whole of England with the exception of Cornwall and the Isles of Scilly is eligible for assistance. There are nine regions that receive ERDF support. The relative priorities in allocation are indicated throughout according to the Priority Axis supported. In **South West England**, the priorities are innovation and knowledge (36.1%), enterprise and growth (36.1%) and urban enterprise (24.1%). Under the innovation and knowledge transfer priority a number of initiatives are being encouraged, with an emphasis on the promotion of environmental friendly technologies and renewable energy. Under the ensuring sustainable development, production and consumption initiative, encouragement is being given to innovation and adaptability in the use of natural resources with the emphasis on getting businesses to realise opportunities arising from the low carbon society and greater efficiency in energy usage.

In the **East Midlands**, the key priorities are innovation and sustainable business practice (53.8%) and sustainable economic and enterprise activity (42.3%). In **Yorkshire Humberside** the approach is on promoting innovation and R&D (16.9%), sustainable communications (44.0%), economic infrastructure (19.6%) and the competitive economy (15.5%). In **North West England** the priorities are stimulating enterprise and supporting growth in target markets (27.1), exploiting innovation and knowledge (27.1), creating the conditions for sustainable growth (20.7%) and growing and accessing employment (21.1). In the **West Midlands** emphasis is given to promoting innovation, research and development (36.3%), stimulating enterprise development (33.8%), achieving sustainable urban development (25.5%) and developing inter-regional activity (1.5%). In **London** the priorities are business innovation and research and promoting eco-efficiency (26.2%), access to new markets and access to finance (27.1%) and sustainable places for business (42.9%). In the **North East** the focus has been on enhancing and exploiting innovation (53.0%), business growth and enterprise (43.0%). In the **East of England** the priorities are promoting innovation and knowledge (33.9%), stimulating enterprise and supporting successful business (24.2%), ensuring sustainable development, production and consultation (38.7%). In the **South East England** the priorities are promoting sustainable production and consumption which has been allocated 96% of the budget available. In **Gibraltar** the core priority is sustainable economic development, innovation and entrepreneurship, absorbing 96% of the available budget.

In Scotland the **Lowlands and Uplands** the emphasis is on research and innovation (27.1%), enterprise growth (33.6%), urban regeneration (23.2%) and rural development (14.0%). Policy initiatives under the supporting research and innovation priority focused on the promotion of the Scotland research base, with a wide variety of business support going to companies with high growth prospects. Community regeneration is being encouraged in urban areas and is designed to support ESF that tackles social exclusion. Activities include encouragement for business start-ups and attracting and sustaining SME activity. Under the rural development priority support is given to encouraging economic diversification and encouragement to traditional industries as a means of reversing the net outward migration of people seeking employment opportunities elsewhere.

In **East Wales** the priorities are knowledge and innovation for growth (44.6%), business competitiveness and growth (19.5%), tackling climate change (19.5%) and regeneration for growth (14.7%). The first concentrates on building capacity to facilitate a knowledge based economy. Under the others the objective is to promote an environment that will enable sustainable growth and the potential for business activity relating to the environment.

In **Northern Ireland** the programme is orientated to sustainable competitiveness and innovation (52.1%), sustainable enterprise and entrepreneurship (34.2%) and improving accessibility and protecting and enhancing the environment (12.4%). Examples of activity under the first include the promotion of Northern Ireland's Science Parks and Research, Training and Development centres of excellence, a number of R&D policies and measures to assist the business sector in commercialising academic research. Action under the second includes stimulating business start-up activity and building the regional innovation network. Activities are being encouraged that include increased investment in rail and road infrastructure, waste management projects, protection of heritage, urban regeneration and brown field site investment and the development of telecommunications and energy infrastructure.

As would be expected Priorities under the Territorial Cooperation Objective vary across the 16 Operational Programmes and according to the type of initiatives i.e. neighbouring regions, Programme Zones or partnership across Europe. The importance attached to these programmes varies substantially across the regions. At one extreme is Northern Ireland where they are felt to be very important and where initiatives are working to facilitate cooperation between public agencies in Northern Ireland, the Republic and the Western part of Scotland. Activity includes developing collaboration in the use of infrastructure in the provision of services like health, culture and education and the stimulation of economic development in border regions. A particularly important dimension in Northern Ireland is associated with the Peace and Reconciliation programme.

At the other extreme are some of the more land-locked regions in England where there is relatively less importance attached to this as compared to other Objectives which are seen as having 'harder' outputs. Although experience varies significantly there have been attempts most recently to try and stimulate more project applications but clearly this requires much capacity building amongst partners and in some case successful outcomes have remained elusive.

POLICY IMPLEMENTATION

Two sources of data have been used to examine the progress on the ground in allocating and committing ERDF in the 2007–2013 period. The first is consolidated financial information available from the UK's Annual Implementation Reports for 2009⁷ and, in particular, the integrated financial data by priority axis and initial and latest allocation of funding by priority theme and objective. The second is information provided by the Government that details the pattern and draw-down of expenditure by the end of March 2010.

Some indication of whether there has been any significant change in the policy being pursued can be obtained by comparing the latest allocation of funding (i.e. at end 2009) with the initial allocation as given in the integrated financial data by priority axis information provided. This information is summarised in Annex Table A. The evidence suggests that the West Wales and the Valleys convergence programme experienced a reduction in the volume of funds across all priorities equivalent to nearly 18% of the initial allocation overall. The other two area allocations under the Convergence Objective remained unchanged. The Lowlands and Uplands region switched resources under the Competitiveness Objective between its priority three activity (urban regeneration) and priority one (research and innovation). The East Wales region had a reduction of funding across all its priorities that was equivalent to about 11% of its initial allocation. Changes in the Welsh allocation reflect a renegotiation in February 2009 to reduce the matching funding contribution in the light of the economic climate and in particular the effect of currency changes.

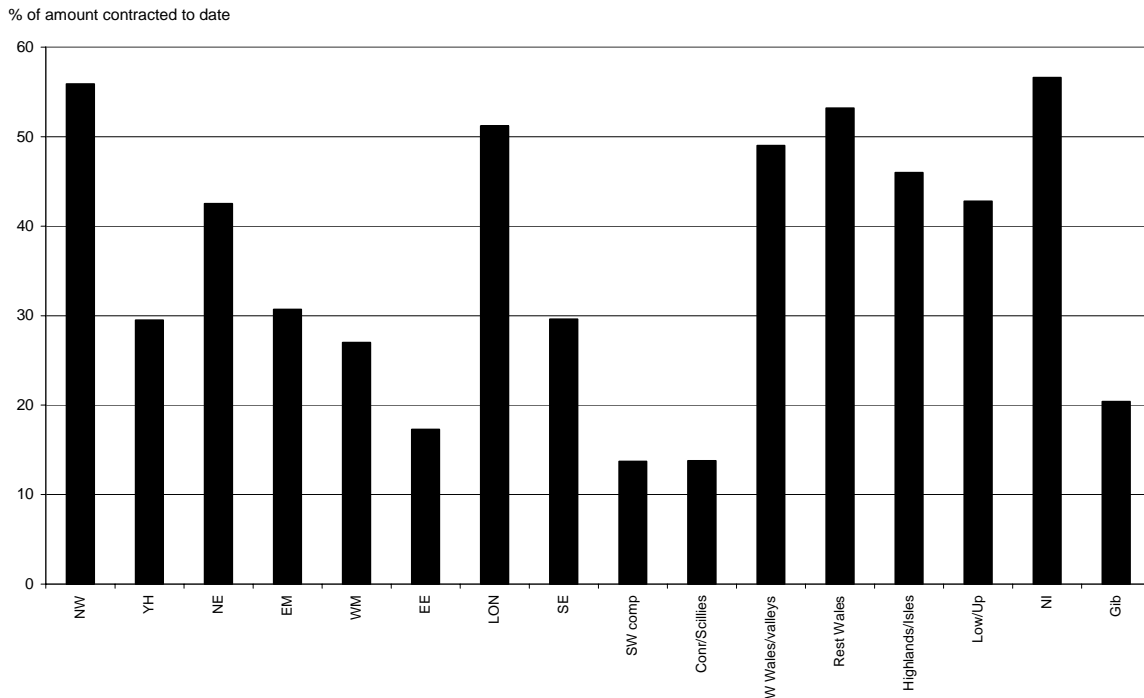
More detailed information on the division of funding within priority axis is provided in Annex Table A. This shows the initial and latest allocation by funding by priority theme and Objective. Comparing the initial and latest allocation indicates whether there has been any pronounced shift in the planned allocation. There has been only one reallocation in all the categories listed and this is the switching of 9% of funding under the Competitiveness Objective originally allocated to other investment in firms to the category heading of management of household and industrial waste.

⁷ <http://cohesion-evalnet.eu/operational-information/official-document/tables-with-financial-data>

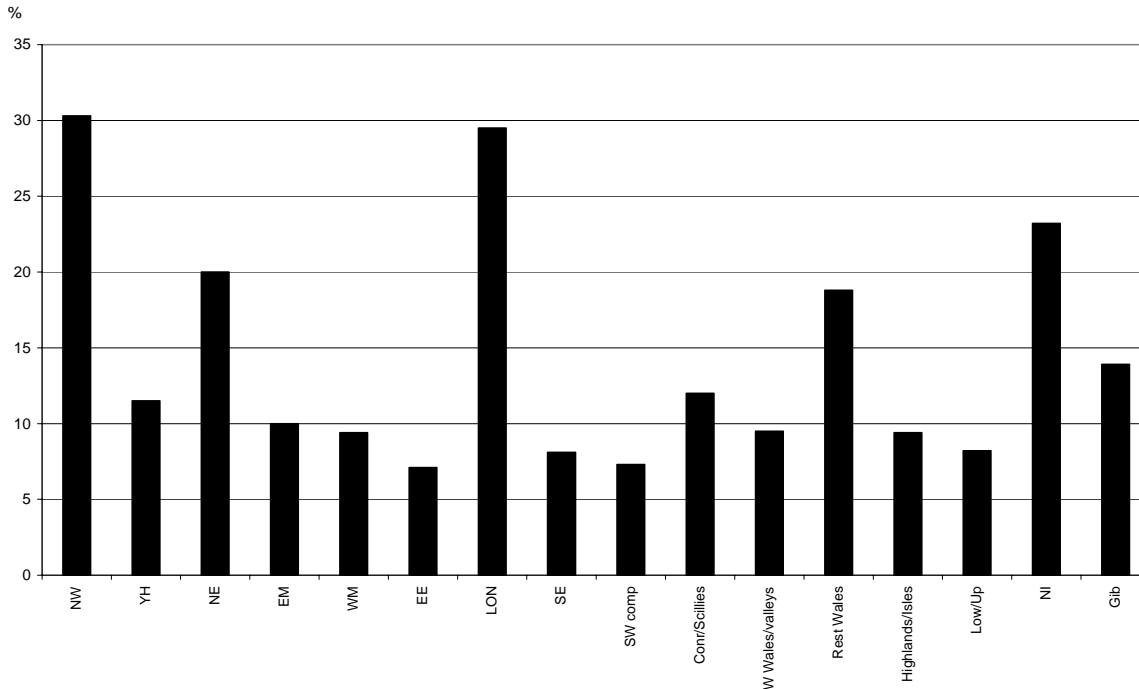
Figure 5 provides more recent evidence as at the end of March 2010. The data refers to the amount of funding *contracted* by that date. There was considerable variation across regions. The largest amount was between 50–60% in Northern Ireland, the North West and the Rest of Wales. In some regions the amount contracted still remained quite low at below 10%. Figure 6 shows that there was also considerable variation in the amount *paid* to projects as at that date with the highest take-up being around 30% but the lowest between 5–10%.

Discussions with those responsible for delivering the programme indicate that in some cases it has taken longer than anticipated to get some of the basic delivery mechanisms in place, secure match funding and establish good information systems with which to target programme delivery. Take-up by the SME sector has been constrained by the impact of the economic downturn.

Figure 5 – Take-up by end of March 2010 by region % amount contracted to date by area



Source: 2007-13 ERDF Programmes: Progress Towards the 2010 Cumulative Revised N+2 Expenditure Target.

Figure 6 – % paid to projects to date by area

Source: 2007-13 ERDF Programmes: Progress Towards the 2010 Cumulative Revised N+2 Expenditure Target.

ACHIEVEMENTS OF THE PROGRAMME SO FAR

Each of the sixteen ERDF Annual Implementation Reports in the United Kingdom provides information on outputs according to the ERDF User manual⁸. The Guidance Manual identifies impact; output and result indicators by priority axis and these have been used by PMCs to produce their Annual Implementation Reports as at 2009. An analysis of this data was undertaken across all of the sixteen Operational Programmes in the United Kingdom. One immediate problem is that the number of diverse indicators presented makes it difficult to obtain a concise overview. It would be very helpful in this regard if each country provided an aggregated table showing the overall situation.

An exercise was undertaken that excluded all the entries in the database where there was either no targets recorded and/ or total achievement to date was recorded as zero. This left indicator information for 195 indicators. It was clear from the database that there were very few entries for the years 2007 and 2008 and so the cumulative position as at 2009 was obtained. The total achieved outputs as at 2009 were expressed in relation to the respective targets and analysed by priority. There has been progress in securing outputs, results and impacts across the social,

⁸ Technical Note of Combined Indicators for RDA Single Budget and ERDF Programme 2007-13, OffPAT, 2009

economic and physical dimensions of regeneration but there is much variation across regions in the extent to which output targets had been realised by end March 2009. A summary is provided in Annex Table E. In order to obtain some broad summary measure of progress it was decided to focus on indicators relating to employment, both gross and net achievement.

For the three convergence areas out-turn gross jobs created were estimated to be only around 2% of the proposed target. Across the thirteen Competitiveness and Employment regions the gross jobs created were only 12% around of proposed target. Discussions with those who have been overseeing the allocation process indicated that by March 2009 their general impression was that take-up of the Programme had been slow. Deployment began to lift throughout 2009 and into 2010.

There has been research to assess whether the measures and projects being funded are in line with the objectives of policy (summarised in more detail below) and the overall conclusion is that the original thinking remains relatively robust. However, the outputs thus far are relatively limited as would be expected given the take-up of programme support over 2007–8. Since evidence on impact evaluation evidence remains relatively limited, any conclusion as to whether the expenditure financed is having the intended effects in the different policy areas has to be based on the interviews conducted with delivery agencies and discussion in the Annual Implementation Reports. This evidence is reviewed in the next section and there is also discussion on how delivery agencies have responded to the recession, as well as the extent to which policy support is regarded as being innovative.

SECTION 3 – EFFECTS OF INTERVENTION

This section provides an overview of how ERDF has been helping to build the capacity of the Convergence and Competitiveness regions, combat the recession, and enable the supported regions respond to major-long term challenges and opportunities. As Section 2 made clear it inevitably takes time to allocate, commit and spend the ERDF resources. Moreover, during the period there has been a significant recession reflecting the impact of the 2007 Credit Crunch on the nations and regions of Europe and it is important to assess how ERDF has been able to alleviate the adverse consequences of this.

As section 4 shows, there has been very little evaluation work commissioned to-date to assess the economic impact of the 2007–2013 ERDF programming round. The general consensus across the regions is that it is too early to be able to detect impact and the evidence presented in section 2 on draw-down of funds and the extent to which output targets have been met reinforces this view. The evaluation work that has been commissioned, and which is described in section 4, has mainly reviewed baseline evidence and re-assessed programme priorities in

the light of changing economic circumstance, particular as a result of the recession. Section 4 outlines when that evaluation work on actual impact will be commissioned.

While there is little evaluation evidence on the actual impact of the ERDF 2007–2013 at the present time there are other sources of evaluation evidence that are relevant. In some cases programmes funded in the 2000–2006 ERDF programming round have continued in the 2007–2013 period. For some of the programmes relating to the promotion of innovation and R&D activity, there have been evaluations that have sought to measure impact and we report on these in Section 4. These evaluations are a particularly rich source of evidence on the extent to which it has proved possible to build the capacity of regional innovation networks and overcome market failures in the provision of finance for business.

There have also been some evaluations in the United Kingdom in recent years that have assessed the economic impact of development policies supported by mainstream UK development funding as well as, in many cases, ERDF. Section 4 also considers aspects of this work that are relevant to the present study.

This section draws on evidence from the Annual Implementation Reports and interviews with programme agents to assess early indications of ERDF strengthening the capacity of the regions, particularly in the light of new opportunities and threats that are emerging from increased competition, demographic change, climate change and energy initiatives. The section also examines how ERDF has helped overcome the effects of the recession.

In **Cornwall and the Isles of Scilly** under the **Convergence Objective** the initiatives are pushing hard to increase the capacity of the region to respond to business opportunities in the low carbon economy. Given the region's natural assets enhancing the key drivers of environmental friendly led growth is clearly the right direction to be moving in and ERDF is supporting projects to assist with this. A particular example is investment that is being committed to develop renewable energy from wave power in the South West that is enhancing the science and knowledge base and creating new industry and job opportunities. However, over the last two years the agenda has been dominated by the need to combat the more adverse effects of the recession. There has been significant success in this respect, although there is now much concern as how cuts in public expenditure will affect the regional economy.

In **Wales and the Valleys** it is also believed by those who are responsible for the delivery of the programme that ERDF has made an important contribution to offsetting the worst of the recession through the provision of finance to business and support to land reclamation and property renovation. ERDF is helping the region adapt to the structural change. ERDF is enhancing the resilience of the regional economy to respond to change and overcome the legacy of the industrial past.

In the Highlands and the Islands ERDF has been actively used to combat the effects of the economic downturn, the effects of which were beginning to impact in early 2008. ERDF was used to 'front-load' expenditure on investment felt to be vital to the future of the Highlands and Islands and this has included support for renewable energy infrastructure with particular emphasis on wind, wave and tidal technologies. Other significant longer term capacity building initiatives identified are support for cultural and tourism initiatives as well as to encourage and enhance knowledge based activity.

In **East Wales** under the **Competitiveness and Employment objective** ERDF has made a valuable contribution to helping the regional economy through the recession. As in the Valleys, the emphasis has been on building business competitiveness and realising new market opportunities. In **South West England** there was concern about how severe the impact of the recession would be. Attention thus focused on how ERDF could be used to mitigate the impact. The immediate response was to establish a loan fund to provide access to finance for those companies whose viability was being adversely affected by the recession but whose longer-term growth prospects were sound. They were being constrained because of difficulties in obtaining finance from conventional lenders. The focus of delivery has remained on providing support for high growth businesses that will broaden the business and thus its resilience to economic change. In the **East Midlands** an Economic Recovery Package was also established to assist businesses in region being affected adversely by the recession. In **Yorkshire Humberside**, in the face of considerable change to the economic and public sector environment, the Regional Development Agency has sought additional flexibility from the European Commission to use ERDF to counter the impact of the recession on the region. In **North West England** there has been an emphasis on starting a JESSICA scheme (the North West Urban Investment Fund) and a JEREMIE fund (Venture Capital and Loan Fund). Some aspects of ERDF have been brought forward where this has been possible as a way of reducing the adverse impact of the recession. Examples of this include land remediation projects so that the region's potential to embrace opportunities for future economic growth can be readily realised once the recessionary period ended. There have also been benefits from this in limiting damage to the capacity of the construction sector in the region. In the **West Midlands** there was some reconfiguring of the programme to help meet the needs of companies in the recessionary period and this has included stimulating activity on energy conservation and housing in line with permission given by the Commission to include this under Priority three funding. There has also been a need to include private sector match funding in the programme and this is anticipated to increase further at the present time as contraction in the public sector occurs.

In **London** the emphasis has been on actions to increase the competitiveness of business. Considerable progress has been made in establishing the London and Joint European Support for Sustainable Investment in City Areas (JESSICA) Holding Fund. This is an important

investment vehicle used to encourage projects in environmentally sustainable infrastructure, job creation and assisting regeneration in run-down areas. The Fund was launched in October 2009. There was no change to the broad thrust of the programme as a direct result of the recession but there is now some uncertainty emerging as to what the impact of budgetary reductions across the public sector may mean in securing match-funding as the programme moves forward. In the **North East** the focus has been on seeking to align policy activity to mitigate the economic down-turn, as well as ensuring that deployment of the programme is reflecting new priorities. Particular emphasis has been given to recognising the European Union's New Industry New Job agenda as well as the need for investment in low carbon industrial and renewable energy strategies as promoted by the UK Government in 2009 (and as discussed below). The region has been able to obtain successful approval for a JERMIE fund (Joint European resources for Micro to Medium Enterprises Initiative). This was the first JERMIE scheme to be operating in England and is seen as something of a model with some innovative financial features including a private sector orientated structure.

In the **East of England** work on sustainable energy efficiency improvement in the region has been further encouraged by the amendments to Article 7 of Regulation (EC) 1080/2006 which allow ERDF expenditure on energy efficiency improvements and the use of renewable energy in existing housing. A call for new proposals was enabled as a result of this. In **Northern Ireland** there has been no fundamental change to the priorities established at the outset. In the **South East England** it was recognised that it was important that the activities funded by ERDF should seek where ever possible to be responsive to the needs of business in the recession. At the same time it also became clear that if the longer term capacity of the region is to be enhanced then it is important to focus on high technology manufacturing and knowledge intensive industries, as well as build on opportunities arising from the Low Carbon Industrial Strategy promoted by the Government (Building Britain's Future: New Industries, New Jobs strategy (April 2009) and the Low Carbon Industrial Strategy (July, 2009)). The objectives originally contained in the South East Operational Programme have been re-examined in the light of these important new initiatives.

In **Lowlands and Uplands Scotland** the approach applied by the Scottish Government was the same as in its Convergence region and that was to use ERDF to get strategic investment moving forward at a time when it might otherwise have been delayed due to the recession. Moreover, it was also recognised that the capacity of urban areas in the region to respond to climate change could be enhanced if low carbon energy efficiency initiatives could be more closely aligned with urban regeneration activity particularly when addressing issues around fuel poverty.

In **Gibraltar** programme implementation has remained largely unaffected by the global events and the economic recession.

SECTION 4 – EVALUATIONS AND GOOD PRACTICE IN EVALUATION

This section reviews evaluation work that is relevant to the 2007–2013 ERDF programmes. As already mentioned earlier the actual roll-out of programme funding has generally been relatively slow. Section 2 showed that by the end of March 2010 only about 15% of the total available allocation of funds had been *paid* to projects across England as a whole by the end of March 2010, although a far higher proportion had been *contracted*. The actual proportion paid varied from some 30% in the North West of England to around 7% in the South West Competitiveness and Employment programme. The equivalent figure for Wales taken as a whole was 10% and for Scotland, 8.5%. On the basis of these figures it is not plausible to expect ERDF expenditure over 2007–2013 to have had much impact as yet on the relevant *aggregate* key impact indicators used in formulating baselines and setting targets. For the three convergence areas gross jobs created were estimated to be only around 2% of the proposed target. Across the 13 Competitiveness and Employment regions the gross jobs created were only around 12% of the target. In recognition of the time that it takes to get things moving most development agencies are intending to undertake impact evaluations in 2011 and 2012.

In some cases, previous rounds of ERDF has been combined with other funds to finance programmes that have existed in some form over a number of years. In these cases there is evaluation work that has focused on the impact. An example is the evaluation of the SMART programme in Scotland (Scottish Government, 2009). Another important example in England is the substantial body of evaluation work undertaken across all of the English RDAs in the period 2006–2009 (BERR, 2009). This work provided a relatively comprehensive assessment of the impact of policy designed to address regional disparities across England and a number of Good Practice issues have emerged from this. The programmes evaluated were financed from a number of sources of funding but ERDF has often made a significant contribution. It is not possible to separate the individual contribution of ERDF but it is possible to focus on Good Practice that can help to inform evaluation activity of ERDF in the years ahead.

Evaluations undertaken

In England there is a body of evidence that outlines Good Practice Guides for the 2007–2013 period drawing on case studies evaluations of programme and project level approaches implemented through the 2000–2006 Structural Fund Objective One and Two programme in England. This work was commissioned by the Department for Communities and Local Government–A Good Practice Guide for English ERDF and ESF Programmes 2007–2013 (DCLG, 2006). The research is largely concerned with a number of process and delivery issues. It emphasises coordination and the adoption of a strategic approach to delivery, ensuring integration of programme activity with the wider sustainable communities' agenda, the role of

the voluntary and community sectors as delivery partners and the importance of collaboration between delivery partnerships and mainstream service delivery agencies.

In **One-North East** a twin track approach is being adopted that includes programme level evaluation as well as individual project evaluation that are in line with the Department of Business and Innovation and Skills Impact Evaluation Framework. At the beginning of 2010 an internal performance review was undertaken of the suitability of original priority allocation in the light of changes to the economic environment. Some work was also commissioned to evaluate Innovation Connector activity and a Mid-term Interim Evaluation has also been commissioned that has produced a Scoping Study for an evaluation that will report in early 2011. Flexibility has been built into the evaluation to reflect the outcomes of the Comprehensive Spending Review in October 2010. In the East of England there has been an interim evaluation of the 2007–2013 ERDF programme (EEDA, 2010). The objective of the evaluation has been to assess improvements at the project and programme that may be required in delivery and to consider implications for future funding allocation. The interim evaluation indicates that the broad focus of the programme remains appropriate despite the impact of the recession. There appeared to be significant variation across monitoring output types in both targets committed and achievements achieved to-date. The impact of the recession was observed but the general conclusion is that it is still too soon to assess impact. A number of programme engagement and monitoring issues are discussed and scope for improvement.

An Interim Programme Assessment has been undertaken for the East Midlands ERDF Competitiveness Programme 2007–2013 (EMDA, 2010). This evaluation was designed to assess whether the focus and delivery arrangements of the programme remain appropriate given changes in the economic environment in the East Midlands. The findings of the work are not based on interviews with final beneficiaries but consultations with principal stakeholders, managers of approved projects and the Regional Development Agency delivery team. The general conclusion was that the broad directional thrust of the programme remained sound. However the research did not report on impact.

A Feasibility Study evaluation of ERDF in Cornwall and the Isles of Scilly was undertaken in mid 2010 (SWREDA, 2010a). The objective of this research has been to assess the feasibility of an evaluation of both ESF and ERDF activity. The research uses a combination of desk-based and face to face interviews and telephone interviews with the key stakeholders. This study considered the most appropriate evaluation framework for evaluation of the ERDF (and ESF) activity in the region in the years ahead.

A Programme Review of ERDF in the South West Convergence Programme also reported in July 2010 (SWERDA, 2010b). It had the objective of reviewing the ERDF programme in Cornwall and

the Isles of Scilly and progress in delivering outputs, results and impacts. A number of governance, administration and monitoring issues were also covered. A number of stakeholders were consulted. The Programme Review suggested that the rationale and objectives of the original strategy behind the programme remain valid and the central strategy should be to address structural weaknesses in the local economy. A number of recommendations for improving monitoring and measurement were also made.

A Programme Review of the ERDF of the South West Competitiveness and Employment Programme also reported in July 2010 (SWERDA, 2010c). It was tasked to consider the same issues as described in the Programme Review of the Cornwall and Isles of Scilly programme described above. Again, it was argued that the rationale and objectives of the strategy underpinning the programme remain valid despite changes in the economic environment. The focus of the programme in addressing structural weakness in the economy is still appropriate with its emphasis on improving rates of innovation and enterprise creation. A number of recommendations for improving monitoring and measurement were made.

In Scotland there have been a number of recent evaluations of programmes which have been part financed by ERDF. Most of this work dates from the mid 2000s onwards. There has been a very extensive and robust evaluation of the SMART programme in Scotland. In 2007 there was an evaluation of the ERDF supported venture capital and loan funds in Scotland (SE, 2007). The study was designed to provide performance appraisal and evidence on the effect on companies that benefitted from fund assistance. A further objective was to assess effects on the market for finance in Scotland because it has been a concern of many in Scotland that the financial markets may fail to meet the needs of Scottish companies with the result that business growth is constrained. Four supported venture capital funds were considered. The methodology adopted was to undertake an analysis of investment made by the Venture Capital Loan Funds (VCLF) involving surveys with fund managers, the Scottish Executive, local authorities and other relevant stakeholders. The research confirmed that ERDF funded VCLFs addressed market failure in the supply of funds. There was evidence of relatively high additionality and it was unlikely that there were significant displacement effects. Overall, the funds had been invested in over 350 new businesses, 700 existing businesses and are estimated to have created over 5,300 new jobs.

A further evaluation was published in May 2008 specifically on the Scottish Co-Investment Fund. The £48 million Fund was established in 2003 by Scottish Enterprise drawing on main Scottish Executive monies. The objective of the Fund was 'to work with private sector partners to increase capacity and capability in the venture capital market in order to increase the supply of early stage equity funding going to Scottish based Small and Medium sized Enterprises having high growth potential' (SE, 2008). The objective of the evaluation was to review rationale, economic effects and effectiveness of the support. The methodology required

interviews with Fund partners, interviews with companies that the Fund had invested in and interviews with other key stakeholders. The evaluation concluded that the Fund was securing its objectives, but that the rationale for the intervention was not well specified. The Fund was well received and perceived as having a positive impact on the SMEs considered and the wider Scottish economy. Economic impacts were calculated in terms of turnover (GVA) and jobs. The Fund was estimated to have created between 449–644 net new jobs depending on the deadweight assumption adopted. A range of wider benefits on the Scottish economy were identified including impacts on R&D.

The Convergence Programme for West Wales and the Valleys was evaluated in 2003 and an update was produced at the end of 2005 (WEFO, 2005). The 2005 Mid-Term Evaluation Update for the Objective One Programme involved extensive fieldwork over a nine-month period and involved project sponsors, assisted businesses and individuals for the ERDF part of the programme. The up-date derived estimates of net impact in the creation of new jobs and businesses and considered their relative quality. The estimated impact was identified to be between 26,000 and 40,500 jobs. Of these, between 2,900 and 6,900 jobs were created through investment in sites and premises and between 23,100–33,600 new jobs from business support intervention. The quality of the jobs created was similar to the occupational skill profile of all Welsh jobs and most of these jobs were likely to be sustainable. This study also assessed the extent to which the programme has been able to reach and assist the economically inactive. The research indicated that by the end of the programme between 46,200 and 84,800 previously unemployed or economically inactive people who were either not in education or training in West Wales and the Valleys had been able to secure employment or training as a result of the programme. This was a very extensive and well conducted evaluation and one that was able to undertake surveys using specifically designed questionnaire in order to establish estimates of deadweight, leakage and other relevant evaluation parameters.

In Northern Ireland evaluation work at present has been confined to an ex-ante evaluation undertaken in 2008. It was concerned to establish baseline evidence and ensure that it was fit for purpose. It also examined whether the strategy formulated was relevant to the identified needs, its rationale, the coherence of the strategy and the nature of the expected impact.

Bringing the evaluation findings together

There has not been any *national programme* wide evaluation of the impact of the 2007–2013 ERDF up to the present time. Nor has there been any such evaluation for England, Scotland, Wales or Northern Ireland individually. The general consensus is that it is too early in the delivery of the programme to do this, particularly since delivery has only really gained momentum in late 2008, early 2009. Moreover, the general economic environment has proved

challenging although there is evidence that most delivery agents have used ERDF proactively to counter the recession in their own regions.

There is a body of mid-term evaluation evidence across the English regions that has assessed whether the 2007–2013 ERDF programme priorities remain fit for purpose in the light of the changing economic environment and which have considered a number of mainly process issues. There is also a substantial amount of evidence from the mid-term evaluations of the 2000–2006 programme ERDF interventions in England that consider process issues. This material has been used to produce a Good Practice Guide for English ERDF (and ESF) Programmes for the period 2007–2013 based on the experience of programme and project level interventions implemented through the Structural Fund Objective One and Two programme in England for the period 2000–2006.

There is a comprehensive review and assessment of the impact of Structural Fund interventions in Wales (WEFO, 2005). This is a very useful study and can be regarded as reflective of Good Practice. There are also evaluations of specific *programmes* where ERDF has made a valuable contribution.

Whilst evaluation evidence on the *impact* of ERDF across the individual regions and countries of the United Kingdom has proved relatively illusive it is important in concluding this section to make reference to other evaluation work of programmes that have involved ERDF. The first is the National Impact Assessment of all RDA expenditure in England commissioned by the Department of Business, Enterprise and Regulatory Reform (DBER, 2009). This study provided an independent assessment of the impact of spending in each of the nine English RDAs in England. The assessment considers RDA expenditure since 1999 but concentrates mainly on expenditure in the period 2002/3 to 2006/7 and thus activities that involved ERDF under the 2000–2006 Round. The assessment draws upon evaluation evidence from 271 evaluations. Of these 110 are measures designed to assist business of which 31 evaluations covered initiatives relating to Science, R&D and Innovation infrastructure. A further 82 evaluations considered measures considered with place development. The evaluation material considered Strategic Added Value as well as the net additionality of the initiative in terms of additional jobs and Gross Value Added (GVA) created by the initiatives.

The evaluation evidence covers £1,155.6 million of expenditure undertaken by the RDAs on business development and competitiveness interventions adopted between 2002/3 –2006/7. In many cases the rationale for intervention is overcoming market failure. The additionality of jobs created/ safeguarded is 41% for measures used to support individual enterprises, 67% for cluster support and 46% for measures relating to science, R&D and innovation. The expenditure is estimated to have created or safeguarded around 87,770 jobs with an average additionality ratio of 48%. Cost effectiveness is estimated at £14,221 per net job created and £187,771 for

net business created and £9705 per net business assisted. The cost per net additional job is lower for measures that provide individual business support at £8301 and highest for those targeted on science, R&D and innovation infrastructure at £37,938.

Evaluation evidence is also provided on £1,558 million of expenditure by the RDAs on physical regeneration over the period 2002/3–2006/7. Estimates of the additionality of jobs created/safeguarded are 50% for measures used to bring land back into use, 40% for actions to enhance the public realm, 34% for measures designed to stimulate image, events and tourism with an overall additionality ratio of 45% for all measures designed to regenerate areas through the use of physical infrastructure. The expenditure is estimated to have created about 22,700 net additional jobs created/safeguarded. Cost effectiveness is placed at £42,101 per net job created for measures that bring land back into use, £118,945 per net additional job created/safeguarded for action designed to enhance the public realm and £79,133 per net additional job created/safeguarded in relation to support for image, events and tourism promotion.

The second main source of evaluation evidence relates to work that has considered additionality data from over 280 evaluations covering a range of economic development interventions across the United Kingdom since 2000. It has brought together key quantitative information on deadweight, displacement, leakage, substitution, multipliers and additionality from some 280 evaluations covering a range of economic development and regeneration interventions across the United Kingdom (BIS, 2009).

The deadweight parameter provides an indication of the proportion of total outputs/outcomes that would have been secured anyway in the absence of the intervention. The displacement parameter identifies the degree to which an increase in productive capacity promoted by the initiative is offset by reductions in productive capacity elsewhere. Leakage refers to that proportion of outputs that benefit those outside the intended intervention target area or group.

Substitution identifies the extent to which a company assisted by an initiative substitutes one activity for a similar activity (such as recruiting a different job applicant) to take advantage of the assistance available from the initiative and the multiplier parameters provides an indication of the extent to which further economic activity (jobs, expenditure or income) is generated by the additional economic activity created by the policy assistance.

Some of the key findings by theme from this work are summarised in Tables (A), (B) and (C). This research should be of value in gauging the impact of the ERDF over 2007–2013. The information in the Table shows for each main development theme the average (mean) value of the key evaluation parameter and what are the confidence levels (at +/- 95% level). Thus, to take the deadweight parameter the mean value across all the evaluations reviewed is 47.2% with a variation around this mean of 5.6% at this confidence level. This evidence base on key

evaluation parameters is regarded as Good Practice at the present time and will be further developed in the years ahead.

Table A. Additionality by primary theme Means and +/- 95% confidence levels* at the sub-regional level						
Themes	Deadweight	Displacement	Leakage	Substitution	Multipliers	Net additionality ratio
Business development & competitiveness	47.2 (5.6)	19.5 (3.9)	16.3 (8.2)	2.7 (5.4)	1.25 (3.7)	35.9 (13.3)
Regeneration through physical infrastructure	7.5 (3.9)	38.7 (6.7)	14.1 (9.3)	-	1.33 (9.9)	54.2 (6.2)
People and skills	26.3 (10.9)	17.9 (11.1)	13.5 (9.9)	-	1.66 (67.2)	54.0 (3.6)
Table B. Additionality by primary theme Means and +/- 95% confidence levels* at the regional level						
Themes	Deadweight	Displacement	Leakage	Substitution	Multipliers	Net additionality ratio
Business development & competitiveness	45.5 (3.3)	29.3 (3.3)	11.5 (3.1)	3.4 (2.2)	1.51 (4.3)	49.7 (6.1)
Regeneration through physical infrastructure	33.9 (5.4)	37.4 (6.7)	10.4 (3.5)	2.2 (3.8)	1.40 (5.9)	50.8 (5.2)
People and skills	39.4 (5.2)	24.7 (5.1)	14.2 (41.7)	4.4 (3.2)	1.36 (7.5)	55.1 (4.9)
Table C. Additionality by programme v project Means and +/- 95% confidence levels* at the sub-regional level						
Themes	Deadweight	Displacement	Leakage	Substitution	Multipliers	Net additionality ratio
Programme	44.2 (5.5)	16.6 (4.4)	10.8 (3.8)	0.0 (-)	1.24 (3.1)	57.1 (6.3)
Project	36.1 (8.0)	25.0 (5.1)	17.0 (8.5)	2.8 (5.5)	1.26 (5.7)	27.1 (12.1)

* Shaded areas denote results from less than 10 observations.

Evaluations planned

In describing the evaluation work of the 2007–2013 ERDF programme that it is planned to undertake in the years ahead it is important to take note of a number of factors. The first is that the evidence for England is based on what the English Regional Development Agencies have set out in their forward planning documents. However, the newly elected UK Government has announced its intention to abolish the RDAs. Some of the functions of the RDAs will be taken over by the proposed Local Enterprise Partnerships but the shape and form of these is currently not known. Secondly, it will be the case that in the majority of cases the proposed evaluation work will not separate out the contribution of ERDF funded elements of programmes from those of other sources of funds. Thirdly, in many cases the evaluation work will be commissioned by local delivery agents. There may be some commissioned by the respective central government or Devolved Administrations that provide a more holistic interpretation. Finally, there is much uncertainty at the present time as to what will be the impact of proposed reductions in public expenditure on both delivery and evaluation.

There are currently no plans to conduct a national evaluation of the UK ERDF 2007–2013 programme but the issue will be reviewed again in 2011. Each of the Regional Development Agencies in England was tasked with undertaking evaluation work as relevant according to a timetable that they decide. So far this has involved some interim ex-ante Programme Reviews where a key focus has been to assess how robust originally planning remains given changes in the economic environment. Mid-term evaluations for preliminary outputs and outcomes are generally planned for 2011.

The **East Midlands Development Agency** commissioned an interim assessment as at July 2010 and plans an Interim programme performance and impact evaluation in 2012 followed by a final programme performance and impact evaluation in 2015. The **North West Development Agency** has commissioned an assessment of whether initial priorities and governance structures remain appropriate. This will report in October 2010 (this report will contain some recommendations for post December end of phasing-in status for Merseyside). The **East of England Development Agency** has recently completed an interim evaluation (April 2010) which has tended to reaffirm the relevance of its low-carbon focus and that the programme appears to be delivering on objectives and priorities. **Yorkshire Forward** has a five year rolling evaluation programme hosted on its web-site and a interim evaluation has been produced. A mid-term evaluation is planned for 2011 when it is felt that there will be sufficient outputs. **One North-East** intends to commission a number of evaluations over the 2011–2012 period that include the innovative Jeremie Scheme and Access to Finance, a Cross Cutting Theme Assessment, an update assessment of the Innovation Connector initiative and other work that will cover aspects of ownership, governance and the achievements of the Business Centre Prize Scheme.

In **Cornwall and the Isles of Scilly** the intention is to undertake evaluations at three main levels. The first is a mid-term Programme Review that is reporting in 2010. This will be followed by an Ex-post Programme Evaluation. At the project level the intention is to commission Thematic Impact Evaluations on the three themes of innovation, environment and equality. Also, at the local level, the intention is to undertake evaluations of Strategic Investment Frameworks in 2012/3 with final evaluations to be undertaken in 2014/15.

The **London Development Agency** has scheduled a mid-term evaluation for 2011 and is supporting mid-term evaluations at the individual project level. A separate evaluation of JESSICA is also planned. **Advantage West Midlands** are undertaking an internal review of the programme at the present time which involves taking a look at the Operational Programme and re-modelling as appropriate. The socio-economic baseline conditions have been revisited and the basic case remains sound. Each of the priority axis is being re-visited and the proposed activities that may result from funding applications. The exercise is seen as an opportunity to pick-up issues that may have arisen as a result of the recession, but also to consider what the impact of reduced funding from the public sector may mean for matching funding

opportunities. It is recognised that there will have to be greater consideration given to securing matching funding from the private sector. A mid-term evaluation is still planned for 2011 in order to gauge impact at that time but it is unclear who will be taking this forward.

The **South West Development Agency** has agreed an evaluation strategy that covers both its Convergence and Competitiveness and Employment areas. There have been Programme Reviews of both and a Feasibility Study of the ESF and ERDF programmes in Cornwall and the Isles of Scilly. One North East has commissioned a mid-term report for mid October 2010, a longitudinal evaluation on innovation connections and a review of performance against outputs and targets is to be published soon.

In **Scotland** some ERDF is routed through the Scottish Government's Challenge Fund programme and in other cases through the Community Planning Partnership working with Local Authorities. In the first case the evaluation will usually be commissioned by Highlands and Islands Enterprise and Scottish Enterprise. The Scottish Executive will be bringing together an overview of planned evaluations over the next six months and they will be commissioned in 2011. There is a priority on ERDF. Where the working is with the Community Planning partnership the local authority concerned would usually undertake the evaluation although this is more likely for ESF.

In **Wales** at the present time it is felt to be rather too early to assess impact of the ERDF funding. Experience from the mid-term evaluations of the 2000–2006 programme is that if impact evaluation work is to be successful then it has to be underpinned by better quality data. WEFO has actively sought to address this issue by ensuring that all project partners have a better understanding of the definitions behind monitoring indicators and that there is now more detailed information being held on participants and SMEs (held centrally by the Welsh European funding Office (WEFO)). It has also recently commissioned a study that has explicitly considered the methodological approaches (including econometric modelling) that are appropriate for evaluating the impact of the 2007 – 2013 Structural Funds Programmes and the conduct of impact evaluations that can focus on job creation, SME creation and growth, the number of people who gain qualifications and/or are helped into further learning; and the number of people helped into employment. This study has also identified data sets and the scope for control group for matched comparison or differences-in-differences analysis.

A key objective has been to gain a better understanding of the level of resources required to undertake impact evaluations that can assess whether Value for Money is being obtained. The suitability of the control groups for programme and project evaluation has also been considered. WEFO is due to receive the final report on this study shortly and it will be possible to incorporate the findings into the next draft of this Note. Besides this research WEFO will also be providing a review of the achievements of the 2000–2006 European Programmes in Wales

with the objective being to review lessons learned, identify the achievements, best practice and difficulties associated with the 2000–2006 programme. The WEFO Evaluation Implementation Plan for 2010 onwards is to undertake programme level evaluations that will cover all of the relevant strategic priorities addressed through the use of ERDF. Employment and innovation are seen as being of particular importance.

In **Northern Ireland** Terms of Reference are presently being established for a Mid-Term evaluation that will be commissioned in autumn 2010 and report by mid 2011. This research will establish early progress on impacts, but will also be seeking to recalibrate the output indicators that are currently in place for the programme. It is hoped to commission an Impact Evaluation in late 2011 that will be reporting in early 2012.

SECTION 5 – CONCLUDING REMARKS – FUTURE CHALLENGES

It has taken time to deploy resources from the 2007–2013 ERDF programme. During the period there has been a significant recession reflecting the impact of the 2007 Credit Crunch on the nations and regions of Europe. This has affected the take-up of the Programme. The most recent evidence is that across the United Kingdom, programme delivery and take-up is accelerating and in some areas funding is almost fully committed. However, it does appear that the recent improvement in the economic environment is fragile and a key challenge must be for policy to continue to operate within a difficult economic environment.

A further challenge relating to the economic environment is that the United Kingdom Government is now engaged in a major programme to cut public expenditure. Not only could this have an effect on the economic growth of the economy, and thus the economic environment in which the programme is operating, but it is also constraining the amount of matching funding available. Finding matching funding is now a major challenge and there is little indication that the position is going to improve in the medium term. It should also be emphasised that changes in the value of sterling in relation to the euro can produce significant changes in the volume of resources available, particularly in an environment where it may prove difficult to increase the amount of matching funding available.

There has not been any significant change in the policy being pursued across the United Kingdom in relation to the original priorities. Programme support would appear to be well aligned with the overall objective of improving the competitiveness of both the Convergence and the Competitiveness regions and thus their ability to grow. ERDF policy has been in line with national regional policy objectives since the Government has argued that it is important to coordinate delivery of ERDF with other domestic policy support. In England the Regional Development Agencies have achieved this by alignment with their *Regional Economic Strategies*. In Scotland, Wales and Northern Ireland the Devolved Administrations have been responsible for

delivery and coordination with their programmes. However, a second possible challenge which is important to mention is that the UK's new Coalition Government has recently announced that it intends to change the delivery arrangements that are currently in place in England by abolishing the Regional Development Agencies over the period 2010–2011. It remains unknown as to what the new arrangements will mean for the delivery of the ERDF although it is likely that the role of the Regional Development Agencies will be replaced by Local Enterprise Partnerships.

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INTERVIEWS

Because of the devolved nature of the governance and delivery arrangements adopted in the United Kingdom it has been necessary to hold discussions with a number of policy officers from across England, Scotland, Wales and Northern Ireland. I am most grateful for assistance from:

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TABLES

See Excel file for Tables 1 and 2

Table 1: Regional disparities and trends

Table 2: Macro-economic developments

Annex Table A – Initial Final (First version of UK ERDF programmes)

Convergence Objective

Priority code	Initial Total funding of the OP (Union and national)=CA+NPA+NRA	Final Total funding of the OP (Union and national)	Final Total funding as % of CCI Area funding	Initial funding - Final funding
Highlands and Islands of Scotland ERDF Convergence Programme				
1	118,815,828	118,815,828.00	40.8	0.00
2	92,073,810	92,073,810.00	31.6	0.00
3	73,117,433	73,117,433.00	25.1	0.00
4	7,311,746	7,311,746.00	2.5	0.00
	CCI AREA SUB-TOTAL	291,318,817.00	100.00	0.00
West Wales and the Valleys ERDF Convergence Programme				
1	701,741,139	558,587,486.00	25.7	-143,153,653.00
2	405,118,939	382,850,990.00	17.6	-22,267,949.00
3	713,628,117	589,633,807.00	27.1	-123,994,310.00
4	508,788,655	386,300,408.00	17.8	-122,488,247.00
5	312,000,019	212,995,742.00	9.8	-99,004,277.00
6	50,000,000	45,259,046.00	2.1	-4,740,954.00
	CCI AREA SUB-TOTAL	2,175,627,479.00	100.00	-515,649,390.00
Cornwall and the Isles of Scilly Convergence Programme				
1	140,017,334	140,017,334.00	20.9	0.00
2	184,514,600	184,514,600.00	27.6	0.00
3	157,519,500	157,519,500.00	23.5	0.00
4	163,361,100	163,361,100.00	24.4	0.00
P5	24,002,820	24,002,820.00	3.6	0.00
	CCI AREA SUB-TOTAL	669,415,354.00	100.00	0.00

Competitiveness and Employment Objective

Priority code	Initial Total funding of the OP (Union and national)=CA+NPA+NRA	Final Total funding of the OP (Union and national)	Final Total funding as % of CCI Area funding	Initial funding - Final funding
Lowlands and Uplands of Scotland ERDF Regional Competitiveness and Employment Programme				
1	204,688,158	246,983,413.00	27.1	42,295,255.00
2	305,465,748	305,465,748.00	33.6	0.00
3	253,771,543	211,476,288.00	23.2	-42,295,255.00
4	127,825,670	127,825,670.00	14.0	0.00
5	18,045,978	18,045,978.00	2.0	0.00
	CCI AREA SUB-TOTAL	909,797,097.00	100.00	0.00
South East England ERDF Regional Competitiveness and Employment Programme				
1	45,516,240	45,516,240.00	96.0	0.00
2	1,896,510	1,896,510.00	4.0	0.00
	CCI AREA SUB-TOTAL	47,412,750.00	100.00	0.00
Northern Ireland ERDF Regional Competitiveness and Employment Programme				
1	320,000,000	320,000,000.00	52.1	0.00
2	210,000,000	210,000,000.00	34.2	0.00
3	76,000,000	76,000,000.00	12.4	0.00
4	7,666,878	7,666,878.00	1.2	0.00
	CCI AREA SUB-TOTAL	613,666,878.00	100.00	0.00
East of England ERDF Regional Competitiveness and Employment Programme				
1	93,232,431	93,232,431.00	33.9	0.00
2	66,599,500	66,599,500.00	24.2	0.00
3	106,556,000	106,556,000.00	38.7	0.00
4	8,879,576	8,879,576.00	3.2	0.00
	CCI AREA SUB-TOTAL	275,267,507.00	100.00	0.00
North East England ERDF Regional Competitiveness and Employment Programme				
1	398,240,856	398,240,856.00	53.0	0.00
2	323,101,072	323,101,072.00	43.0	0.00
3	30,055,912	30,055,912.00	4.0	0.00
	CCI AREA SUB-TOTAL	751,397,840.00	100.00	0.00
London England ERDF Regional Competitiveness and Employment Programme				
1	100,039,066	100,039,066.00	26.2	0.00
2	103,676,852	103,676,852.00	27.1	0.00
3	164,219,975	164,219,975.00	42.9	0.00
4	14,551,138	14,551,138.00	3.8	0.00
	CCI AREA SUB-TOTAL	382,487,031.00	100.00	0.00
West Midlands England ERDF Regional Competitiveness and Employment Programme				
1	290,000,000	290,000,000.00	36.3	0.00
2	270,000,000	270,000,000.00	33.8	0.00
3	204,000,000	204,000,000.00	25.5	0.00
4	12,000,000	12,000,000.00	1.5	0.00
5	23,799,860	23,799,860.00	3.0	0.00
	CCI AREA SUB-TOTAL	799,799,860.00	100.00	0.00

North West England ERDF Regional Competitiveness and Employment Programme				
1	409,791,296	409,791,296.00	27.1	0.00
2	409,791,296	409,791,296.00	27.1	0.00
3	313,212,316	313,212,316.00	20.7	0.00
4	318,253,944	318,253,944.00	21.1	0.00
5	60,460,370	60,460,370.00	4.0	0.00
	CCI AREA SUB-TOTAL	1,511,509,222.00	100.00	0.00
Yorkshire and Humberside England ERDF Regional Competitiveness and Employment Programme				
1	197,122,748	197,122,748.00	16.9	0.00
2	513,997,413	513,997,413.00	44.0	0.00
3	228,584,485	228,584,485.00	19.6	0.00
4	180,770,796	180,770,796.00	15.5	0.00
5	46,686,476	46,686,476.00	4.0	0.00
	CCI AREA SUB-TOTAL	1,167,161,918.00	100.00	0.00
East Midlands England ERDF Regional Competitiveness and Employment Programme				
1	288,633,182	288,633,182.00	53.8	0.00
2	226,879,106	226,879,106.00	42.3	0.00
3	21,479,678	21,479,678.00	4.0	0.00
	CCI AREA SUB-TOTAL	536,991,966.00	100.00	0.00
South West England ERDF Regional Competitiveness and Employment Programme				
1	90,000,000	90,000,000.00	36.1	0.00
2	90,000,000	90,000,000.00	36.1	0.00
3	60,000,000	60,000,000.00	24.1	0.00
4	9,316,172	9,316,172.00	3.7	0.00
	CCI AREA SUB-TOTAL	249,316,172.00	100.00	0.00
East Wales ERDF Regional Competitiveness and Employment Programme				
1	80,504,204	71,344,196.00	44.6	-9,160,008.00
2	35,191,031	31,186,891.00	19.5	-4,004,140.00
3	35,191,062	31,186,916.00	19.5	-4,004,146.00
4	26,618,065	23,589,393.00	14.7	-3,028,672.00
5	2,900,000	2,625,025.00	1.6	-274,975.00
	CCI AREA SUB-TOTAL	159,932,421.00	100.00	-20,471,941.00
Gibraltar ERDF Regional Competitiveness and Employment Programme				
1	11,137,418	11,137,418.00	96.0	0.00
2	464,060	464,060.00	4.0	0.00
	CCI AREA SUB-TOTAL	11,601,478.00	100.00	0.00
	11,088,825,121	10,552,703,790		-536,121,331
PRIORITY CODE SUB TOTALS – BOTH PROGRAMMES				
1	3,489,479,900	3,379,461,494	32.0	-110,018,406
2	3,238,769,937	3,212,497,848	30.4	-26,272,089
3	2,437,336,021	2,267,042,310	21.5	-170,293,711
4	1,385,343,740	1,259,826,821	11.9	-125,516,919
5	487,895,523	388,616,271	3.7	-99,279,252
6	50,000,000	45,259,046	0.4	-4,740,954
	11,088,825,121	10,552,703,790	100.0	-536,121,331
PRIORITY CODE SUB TOTALS – Convergence PROGRAMMES				

1	960,574,301	817,420,648	26.1	-143,153,653
2	681,707,349	659,439,400	21.0	-22,267,949
3	944,265,050	820,270,740	26.2	-123,994,310
4	679,461,501	556,973,254	17.8	-122,488,247
5	336,002,839	236,998,562	7.6	-99,004,277
6	50,000,000	45,259,046	1.4	-4,740,954
	3,652,011,040	3,136,361,650	100.0	-515,649,390
PRIORITY CODE SUB TOTALS - Competitiveness PROGRAMMES				
1	2,528,905,599	2,562,040,846	34.5	33,135,247
2	2,557,062,588	2,553,058,448	34.4	-4,004,140
3	1,493,070,971	1,446,771,570	19.5	-46,299,401
4	705,882,239	702,853,567	9.5	-3,028,672
5	151,892,684	151,617,709	2.0	-274,975
6	0	0	0.0	0
	7,436,814,081	7,416,342,140	100.0	-20,471,941

Annex Table B – Allocation by theme

Objective	Initial allocation	% of Obj total	Differences between initial and final allocation
Convergence Objective			
R&TD activities in research centres	83,229,105	3.1	0
R&TD infrastructure and centres of competence in a specific technology	50,798,303	1.9	0
Technology transfer and improvement of cooperation networks ...	86,576,996	3.2	0
Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)	56,834,336	2.1	0
Advanced support services for firms and groups of firms	109,369,293	4.0	0
Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...)	23,477,198	0.9	0
Investment in firms directly linked to research and innovation (...)	91,658,431	3.4	0
Other investment in firms	67,765,604	2.5	0
Other measures to stimulate research and innovation and entrepreneurship in SMEs	198,630,924	7.3	0
Telephone infrastructures (including broadband networks)	37,069,879	1.4	28000000
Information and communication technologies (...)	30,110,241	1.1	0
Information and communication technologies (TEN-ICT)	26,000,000	1.0	0
Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)	15,693,901	0.6	0
Services and applications for SMEs (e-commerce, education and training, networking, etc.)	60,159,390	2.2	-28000000
Other measures for improving access to and efficient use of ICT by SMEs	8,376,317	0.3	0
Railways	60,931,808	2.2	0
Railways (TEN-T)		0.0	0
Mobile rail assets	2,000,000	0.1	0
Mobile rail assets (TEN-T)		0.0	0
Motorways	1,362,349	0.1	0
Motorways (TEN-T)	33,082,380	1.2	0
National roads	2,047,288	0.1	0
Regional/local roads	10,339,758	0.4	0
Cycle tracks	5,308,238	0.2	0
Urban transport	7,000,000	0.3	0
Multimodal transport	90,591,236	3.3	0
Multimodal transport (TEN-T)		0.0	0
Intelligent transport systems	3,000,000	0.1	0
Airports	23,000,000	0.8	0
Ports	18,647,996	0.7	0
Inland waterways (regional and local)		0.0	0
Inland waterways (TEN-T)		0.0	0
Electricity	2,298,983	0.1	0
Electricity (TEN-E)		0.0	0
Natural gas		0.0	0
Natural gas (TEN-E)		0.0	0
Petroleum products		0.0	0
Renewable energy: wind	17,787,387	0.7	0
Renewable energy: solar	10,890,437	0.4	0
Renewable energy: biomass	13,189,420	0.5	0
Renewable energy: hydroelectric, geothermal and other	24,013,253	0.9	0
Energy efficiency, co-generation, energy management	43,082,719	1.6	0

Management of household and industrial waste	16,092,884	0.6	0
Management and distribution of water (drink water)		0.0	0
Water treatment (waste water)		0.0	0
Air quality		0.0	0
Integrated prevention and pollution control		0.0	0
Mitigation and adaption to climate change	34,484,755	1.3	0
Rehabilitation of industrial sites and contaminated land	32,985,585	1.2	0
Promotion of biodiversity and nature protection (including Natura 2000)		0.0	0
Promotion of clean urban transport	43,007,094	1.6	0
Risk prevention (...)		0.0	0
Other measures to preserve the environment and prevent risks	16,092,884	0.6	0
Promotion of natural assets	25,061,496	0.9	0
Protection and development of natural heritage	52,876,620	1.9	0
Other assistance to improve tourist services	6,213,763	0.2	0
Protection and preservation of the cultural heritage		0.0	0
Development of cultural infrastructure	4,000,000	0.1	0
Other assistance to improve cultural services	2,071,661	0.1	0
Integrated projects for urban and rural regeneration	176,579,369	6.5	0
Development of life-long learning systems and strategies in firms; training and services for employees ...	154,648,883	5.7	0
Design and dissemination of innovative and more productive ways of organising work	3,000,000	0.1	0
Development of special services for employment, training and support in connection with restructuring of sectors ...	28,061,057	1.0	0
Modernisation and strengthening labour market institutions		0.0	0
Implementing active and preventive measures on the labour market	183,391,353	6.8	0
Measures encouraging active ageing and prolonging working lives	17,886,759	0.7	0
Support for self-employment and business start-up	13,050,786	0.5	0
Measures to improve access to employment and increase sustainable participation and progress of women ...	19,643,724	0.7	0
Specific action to increase migrants' participation in employment ...	11,956,495	0.4	0
Pathways to integration and re-entry into employment for disadvantaged people ...	126,067,040	4.6	0
Design, introduction and implementing of reforms in education and training systems ...	123,512,429	4.5	0
Increase participation in education and training throughout the life-cycle ...	152,973,893	5.6	0
Developing human potential in the field of research and innovation, in particular through post-graduate studies ...	21,992,768	0.8	0
Education infrastructure	37,849,428	1.4	0
Health infrastructure		0.0	0
Childcare infrastructure		0.0	0
Housing infrastructure		0.0	0
Other social infrastructure		0.0	0
Promoting the partnerships, pacts and initiatives through the networking of relevant stakeholders		0.0	0
Mechanisms for improving good policy and programme design, monitoring and evaluation ...	32,985,962	1.2	0
Compensation of any additional costs due to accessibility deficit and territorial fragmentation		0.0	0
Action addressed to compensate additional costs due to size market factors		0.0	0
Support to compensate additional costs due to climate conditions		0.0	0
Preparation, implementation, monitoring and inspection	38,012,281	1.4	0
Evaluation and studies; information and communication	27,210,712	1.0	0
Total Convergence Objective	2,716,032,851	100	0

Competitiveness Objective			
R&TD activities in research centres	96,455,644	2.4	0
R&TD infrastructure and centres of competence in a specific technology	191,550,991	4.7	0
Technology transfer and improvement of cooperation networks ...	219,376,104	5.4	0
Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)	247,881,506	6.1	0
Advanced support services for firms and groups of firms	389,820,445	9.5	0
Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...)	249,045,173	6.1	0
Investment in firms directly linked to research and innovation (...)	189,239,458	4.6	0
Other investment in firms	374,915,846	9.2	-8550000
Other measures to stimulate research and innovation and entrepreneurship in SMEs	412,441,272	10.1	0
Telephone infrastructures (including broadband networks)	48,397,841	1.2	0
Information and communication technologies (...)	16,734,632	0.4	0
Information and communication technologies (TEN-ICT)	932,744	0.0	0
Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)	13,308,715	0.3	0
Services and applications for SMEs (e-commerce, education and training, networking, etc.)	78,632,146	1.9	0
Other measures for improving access to and efficient use of ICT by SMEs	63,153,052	1.5	0
Railways		0.0	0
Railways (TEN-T)		0.0	0
Mobile rail assets		0.0	0
Mobile rail assets (TEN-T)		0.0	0
Motorways		0.0	0
Motorways (TEN-T)		0.0	0
National roads		0.0	0
Regional/local roads	5,868,998	0.1	0
Cycle tracks	1,000,000	0.0	0
Urban transport	2,000,000	0.0	0
Multimodal transport	7,075,626	0.2	0
Multimodal transport (TEN-T)		0.0	0
Intelligent transport systems		0.0	0
Airports		0.0	0
Ports		0.0	0
Inland waterways (regional and local)		0.0	0
Inland waterways (TEN-T)		0.0	0
Electricity		0.0	0
Electricity (TEN-E)		0.0	0
Natural gas		0.0	0
Natural gas (TEN-E)		0.0	0
Petroleum products		0.0	0
Renewable energy: wind		0.0	0
Renewable energy: solar	15,650,870	0.4	0
Renewable energy: biomass	10,112,611	0.2	0
Renewable energy: hydroelectric, geothermal and other	23,397,525	0.6	0
Energy efficiency, co-generation, energy management	21,735,410	0.5	0
Management of household and industrial waste	98,424,485	2.4	8550000
Management and distribution of water (drink water)	4,137,784	0.1	0
Water treatment (waste water)		0.0	0
Air quality		0.0	0
Integrated prevention and pollution control		0.0	0
Mitigation and adaption to climate change		0.0	0

Rehabilitation of industrial sites and contaminated land	21,021,699	0.5	0
Promotion of biodiversity and nature protection (including Natura 2000)	133,971,462	3.3	0
Promotion of clean urban transport	69,608	0.0	0
Risk prevention (...)	52,068,935	1.3	0
Other measures to preserve the environment and prevent risks	69,608	0.0	0
Promotion of natural assets	2,343,662	0.1	0
Protection and development of natural heritage	3,920,262	0.1	0
Other assistance to improve tourist services	7,079,217	0.2	0
Protection and preservation of the cultural heritage	26,198,618	0.6	0
Development of cultural infrastructure	3,085,296	0.1	0
Other assistance to improve cultural services	24,119,439	0.6	0
Integrated projects for urban and rural regeneration		0.0	0
Development of life-long learning systems and strategies in firms; training and services for employees ...	247,190,722	6.1	0
Design and dissemination of innovative and more productive ways of organising work	71,544,872	1.8	0
Development of special services for employment, training and support in connection with restructuring of sectors ...	8,000,000	0.2	0
Modernisation and strengthening labour market institutions	25,611,544	0.6	0
Implementing active and preventive measures on the labour market		0.0	0
Measures encouraging active ageing and prolonging working lives	137,010,275	3.4	0
Support for self-employment and business start-up	22,079,533	0.5	0
Measures to improve access to employment and increase sustainable participation and progress of women ...	74,757,079	1.8	0
Specific action to increase migrants' participation in employment ...	40,900,207	1.0	0
Pathways to integration and re-entry into employment for disadvantaged people ...	37,079,533	0.9	0
Design, introduction and implementing of reforms in education and training systems ...	141,241,497	3.5	0
Measures to increase participation in education and training throughout the life-cycle ...	32,948,684	0.8	0
Developing human potential in the field of research and innovation, in particular through post-graduate studies ...	33,681,579	0.8	0
Education infrastructure	21,956,021	0.5	0
Health infrastructure		0.0	0
Childcare infrastructure		0.0	0
Housing infrastructure		0.0	0
Other social infrastructure		0.0	0
Promoting the partnerships, pacts and initiatives through the networking of relevant stakeholders		0.0	0
Mechanisms for improving good policy and programme design, monitoring and evaluation ...	1,000,000	0.0	0
Compensation of any additional costs due to accessibility deficit and territorial fragmentation	1,000,000	0.0	0
Specific action addressed to compensate additional costs due to size market factors		0.0	0
Support to compensate additional costs due to climate conditions and relief difficulties		0.0	0
Preparation, implementation, monitoring and inspection		0.0	0
Evaluation and studies; information and communication	96,921,537	2.4	0
R&TD activities in research centres	36,858,466	0.9	0
Total Competitiveness Objective	4,085,018,233	100	0

Multi objective			
R&TD activities in research centres			0
R&TD infrastructure and centres of competence in a specific technology			0
Technology transfer and improvement of cooperation networks ...			0
Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)			0
Advanced support services for firms and groups of firms			0
Assistance to SMEs for the promotion of environmentally-friendly products and production processes (...)			0
Investment in firms directly linked to research and innovation (...)			0
Other investment in firms			0
Other measures to stimulate research and innovation and entrepreneurship in SMEs			0
Telephone infrastructures (including broadband networks)			0
Information and communication technologies (...)			0
Information and communication technologies (TEN-ICT)			0
Services and applications for citizens (e-health, e-government, e-learning, e-inclusion, etc.)			0
Services and applications for SMEs (e-commerce, education and training, networking, etc.)			0
Other measures for improving access to and efficient use of ICT by SMEs			0
Railways			0
Railways (TEN-T)			0
Mobile rail assets			0
Mobile rail assets (TEN-T)			0
Motorways			0
Motorways (TEN-T)			0
National roads			0
Regional/local roads			0
Cycle tracks			0
Urban transport			0
Multimodal transport			0
Multimodal transport (TEN-T)			0
Intelligent transport systems			0
Airports			0
Ports			0
Inland waterways (regional and local)			0
Inland waterways (TEN-T)			0
Electricity			0
Electricity (TEN-E)			0
Natural gas			0
Natural gas (TEN-E)			0
Petroleum products			0
Renewable energy: wind			0
Renewable energy: solar			0
Renewable energy: biomass			0
Renewable energy: hydroelectric, geothermal and other			0
Energy efficiency, co-generation, energy management			0
Management of household and industrial waste			0
Management and distribution of water (drink water)			0
Water treatment (waste water)			0
Air quality			0
Integrated prevention and pollution control			0
Mitigation and adaption to climate change			0

Rehabilitation of industrial sites and contaminated land			0
Promotion of biodiversity and nature protection (including Natura 2000)			0
Promotion of clean urban transport			0
Risk prevention (...)			0
Other measures to preserve the environment and prevent risks			0
Promotion of natural assets			0
Protection and development of natural heritage	1,034,766,447	33.5	0
Other assistance to improve tourist services			0
Protection and preservation of the cultural heritage	55,081,710	1.8	0
Development of cultural infrastructure			0
Other assistance to improve cultural services	747,434,164	24.2	0
Integrated projects for urban and rural regeneration	93,429,270	3.0	0
Development of life-long learning systems and strategies in firms; training and services for employees ...			0
Design and dissemination of innovative and more productive ways of organising work	186,858,541	6.0	0
Development of special services for employment, training and support in connection with restructuring of sectors ...			0
Modernisation and strengthening labour market institutions	840,863,434	27.2	0
Implementing active and preventive measures on the labour market			0
Measures encouraging active ageing and prolonging working lives			0
Support for self-employment and business start-up	11,786,036	0.4	0
Measures to improve access to employment and increase sustainable participation and progress of women ...			0
Specific action to increase migrants' participation in employment ...			0
Pathways to integration and re-entry into employment for disadvantaged people ...			0
Design, introduction and implementing of reforms in education and training systems ...			0
Measures to increase participation in education and training throughout the life-cycle ...			0
Developing human potential in the field of research and innovation, in particular through post-graduate studies ...			0
Education infrastructure			0
Health infrastructure			0
Childcare infrastructure	95,733,422	3.1	0
Housing infrastructure	23,933,355	0.8	0
Multi Objective total	3,089,886,379	100	0
Country	9,890,937,463		0

Annex Table C – Implementation Rate

OP	Priority Code	Total funding of the OP (Union and national) [1]	Total amount of certified eligible expenditure paid by beneficiaries [2]	Implementation rate [2/1]
2007UK161PO001	1	118,815,828	7,762,371	6.53 %
2007UK161PO001	2	92,073,810	16,082,305	17.47 %
2007UK161PO001	3	73,117,433	2,565,844	3.51 %
2007UK161PO001	4	7,311,746	1,150,851	15.74 %
2007UK161PO002	1	558,587,486	30,432,275	5.45 %
2007UK161PO002	2	382,850,990	92,276,189	24.10 %
2007UK161PO002	3	589,633,807	5,770,536	0.98 %
2007UK161PO002	4	386,300,408	7,710,363	2.00 %
2007UK161PO002	5	212,995,742	3,551,187	1.67 %
2007UK161PO002	6	45,259,046	1,898,651	4.20 %
2007UK161PO003	1	140,017,334	10,675,641	7.62 %
2007UK161PO003	2	184,514,600	12,154,538	6.59 %
2007UK161PO003	3	157,519,500	26,657,095	16.92 %
2007UK161PO003	4	163,361,100	9,756,889	5.97 %
2007UK161PO003	5	24,002,820	2,806,232	11.69 %
2007UK162PO001	1	246,983,413	8,221,807	3.33 %
2007UK162PO001	2	305,465,748	47,232,464	15.46 %
2007UK162PO001	3	211,476,288	1,907,470	0.90 %
2007UK162PO001	4	127,825,670	4,094,151	3.20 %
2007UK162PO001	5	18,045,978	2,240,864	12.42 %
2007UK162PO002	1	45,516,240	3,499,398	7.69 %
2007UK162PO002	2	1,896,510		
2007UK162PO003	1	320,000,000	25,798,900	8.06 %
2007UK162PO003	2	210,000,000	13,762,786	6.55 %
2007UK162PO003	3	76,000,000	1,446,171	1.90 %
2007UK162PO003	4	7,666,878	160,552	2.09 %
2007UK162PO004	1	93,232,431	996,811	1.07 %
2007UK162PO004	2	66,599,500	14,341,334	21.53 %
2007UK162PO004	3	106,556,000	1,965,339	1.84 %
2007UK162PO004	4	8,879,576	815,815	9.19 %
2007UK162PO005	1	398,240,856	108,473,267	27.24 %
2007UK162PO005	2	323,101,072	36,143,478	11.19 %
2007UK162PO005	3	30,055,912	2,397,507	7.98 %
2007UK162PO006	1	100,039,066	1,553,982	1.55 %
2007UK162PO006	2	103,676,852	1,141,626	1.10 %
2007UK162PO006	3	164,219,975	109,998,900	66.98 %
2007UK162PO006	4	14,551,138	186,688	1.28 %
2007UK162PO007	1	290,000,000	26,625,036	9.18 %
2007UK162PO007	2	270,000,000	24,687,289	9.14 %
2007UK162PO007	3	204,000,000	414,868	0.20 %

OP	Priority Code	Total funding of the OP (Union and national) [1]	Total amount of certified eligible expenditure paid by beneficiaries [2]	Implementation rate [2/1]
2007UK162PO007	4	12,000,000	0	0.00 %
2007UK162PO007	5	23,799,860	2,433,538	10.23 %
2007UK162PO008	1	409,791,296	56,977,711	13.90 %
2007UK162PO008	2	409,791,296	52,596,974	12.84 %
2007UK162PO008	3	313,212,316	59,592,968	19.03 %
2007UK162PO008	4	318,253,944	64,851,335	20.38 %
2007UK162PO008	5	60,460,370	3,304,965	5.47 %
2007UK162PO009	1	197,122,748	305,442	0.15 %
2007UK162PO009	2	513,997,413	73,334,293	14.27 %
2007UK162PO009	3	228,584,485	12,829,156	5.61 %
2007UK162PO009	4	180,770,796	24,869,130	13.76 %
2007UK162PO009	5	46,686,476	0	0.00 %
2007UK162PO010	1	288,633,182	40,226,075	13.94 %
2007UK162PO010	2	226,879,106	7,585,696	3.34 %
2007UK162PO010	3	21,479,678	2,051,350	9.55 %
2007UK162PO011	1	90,000,000	1,580,979	1.76 %
2007UK162PO011	2	90,000,000	13,449,352	14.94 %
2007UK162PO011	3	60,000,000		
2007UK162PO011	4	9,316,172	986,146	10.59 %
2007UK162PO012	1	71,344,196	12,696,155	17.80 %
2007UK162PO012	2	31,186,891	35,191,031	112.84 %
2007UK162PO012	3	31,186,916	3,483	0.01 %
2007UK162PO012	4	23,589,393	0	0.00 %
2007UK162PO012	5	2,625,025	75,714	2.88 %
2007UK162PO013	1	11,137,418	2,362,215	21.21 %
2007UK162PO013	2	464,060	130,429	28.11 %
Sum:		505,357,234,217	35,211,766,085	
ERDF Total		10,552,703,790	1,136,791,607	

Annex Table D – ERDF Programmes 2007–2013: progress towards the 2010 cumulative revised n+2 expenditure target

	Total ERDF allocation 2007–2013		Structural Funds N+2 expenditure target for 2010	Amount contracted to date* (% of total ERDF allocation in column 1)	Amount paid to projects to date (% of total allocation in column 1)
	EUR million (1)	% of total UK (2)	EUR million (3)	% (4)	% (5)
England					
North West	755.8	14.0	108.0	55.9%	30.3%
Yorkshire & Humber **	583.6	10.8	46.8	29.5%	11.5%
North East	375.7	6.9	31.8	42.5%	20.0%
East Midlands	268.5	5.0	22.7	30.7%	10.0%
West Midlands	399.9	7.4	33.8	27.0%	9.4%
East of England	111.0	2.0	9.4	17.3%	7.1%
London	181.9	3.4	15.4	51.2%	29.5%
South East	23.7	0.4	2.0	29.6%	8.1%
South West Comp	124.7	2.3	10.5	13.7%	7.3%
Cornwall & Isles of Scilly	458.1	8.5	38.8	13.8%	12.0%
Total England	3282.7	60.6	319.2	34.9%	17.2%
Wales					
West Wales and the Valleys	1250.4	23.1	105.8	49.0%	9.5%
Rest of Wales	72.5	1.3	6.1	53.2%	18.8%
Total Wales	1322.8	24.4	111.9	49.3%	10.0%
Scotland					
Highlands & Islands	121.9	2.3	21.9	46.0%	9.4%
Lowlands & Uplands	376.0	6.9	31.8	42.8%	8.2%
Total Scotland	497.8	9.2	53.7	43.6%	8.5%
Northern Ireland	306.8	5.7	26.0	56.6%	23.2%
Gibraltar	5.8	0.1	0.5	20.4%	13.9%
Total UK	5416.0	100	511.3	40.4%	15.0%

The euro value of the programme and its N+2 target (less the 7.5% advance) converted into sterling using the latest £/euro exchange rate.

Once expenditure starts to be reported to the EC by the Certifying Authority, it should be calculated using: (a) the actual exchange rates that have been applied by the Certifying Authority to date to convert expenditure in sterling into euro. (b) The balance of unspent euro, converted into sterling at the latest forecast rate and added to the sterling expenditure of (a).

* Offer letters issued to projects.

** The N+2 target has been reduced by £37.6 million due to submission of major projects.

Annex Table E – Total employment achieved in relation to target

Objective	Type	Indicator	Final Target	Tot. ach. as % of target
1	Result	2000 – Gross jobs created	33200	2.3
1	Result	20001 – Gross jobs created	10000	0.1
1	Result	20002 – Gross jobs created	11000	6.8
1	Result	P108 – Gross new jobs created	5474	0.8
1	Result	P108 – Gross new jobs created	4000	1.5
1	Result	P108 – Gross new jobs created	3751	0.1
1	Result	P109 – Gross jobs safeguarded	3413	0.4
1	Result	P109 – Gross jobs safeguarded	2517	0.6
1	Result	R116 – Number of gross jobs created	2200	3.2
1	Result	R211 – Number of gross jobs created	1300	2.0
1	Result	R306 – Number of gross jobs created	1200	0.1
TOTAL Convergence Objective			78055	2.2
2	Result	008 – No of gross jobs created	1983	2.1
2	Result	008 – No of gross jobs created	3619	12.4
2	Result	008 – No of gross jobs created	1622	0.5
2	Result	008 – No of gross jobs created	2961	6.9
2	Result	009 – No of gross jobs safeguarded	4626	0.7
2	Result	009 – No of gross jobs safeguarded	3785	0.4
2	Impact	01 – New employees in the labour market	500	91.0
2	Impact	01 – New employees in the labour market	350	102.3
2	Impact	02 – SME jobs created/safeguarded	200	16.5
2	Result	108 – Gross new jobs created	180	2.8
2	Result	108 – No of gross jobs created, of which in disadvantaged areas.	180	14.4
2	Result	108 – No of gross jobs created, of which in disadvantaged areas.	987	58.5
2	Result	109 – No of gross jobs safeguarded, of which in disadvantaged areas	421	4.0
2	Result	110 – Gross jobs created	877	102.6
2	Impact	16 – Creation of jobs within tourism sector	30	6.7
2	Result	2000 – Gross Jobs Created	2340	1.0
2	Result	2000 – Gross Jobs Created	1000	2.3
2	Core	6 – Research jobs created	1238	136.5
2	Core	9 – Jobs created (gross, full time equivalent)	11333	42.7
2	Core	9 – Jobs created (gross, full time equivalent)	3200	0.1
2	Core	9 – Jobs created (gross, full time equivalent)	4300	1.8
2	Result	P103 – No of gross jobs created	775	2.2
2	Result	P103 – No of gross jobs created	775	0.9
2	Result	P104 – Gross jobs created	10000	0.5
2	Result	P104 – Gross jobs created	6600	0.2
2	Result	P104 – Gross jobs created	9800	0.6
2	Result	P104 – Gross jobs created	6500	0.2
2	Result	P105 – Gross jobs safeguarded	2100	7.6
2	Result	P105 – Gross jobs safeguarded	2600	2.5
2	Result	P105 – Gross jobs safeguarded	2000	6.0
2	Result	P105 – Gross jobs safeguarded	2600	2.2
2	Result	P105 – No of jobs created	2400	5.4
2	Result	P105 – No of jobs created	6200	0.1
2	Result	p107 – No of jobs created (FTE and by gender)	725	0.5
2	Result	p108 – No of jobs safeguarded (FTE and by gender)	135	58.5

Objective	Type	Indicator	Final Target	Tot. ach. as % of target
2	Result	P208 – No of gross jobs created	3985	2.7
2	Result	P208 – No of gross jobs created	3984	2.1
2	Result	P209 – No of gross jobs safeguarded	1125	2.5
2	Result	R107 – Number of gross jobs created	6100	3.7
2	Result	R209 – Number of gross jobs created	13600	16.1
2	Result	R305 – Increase in the number of individuals gaining employment through supported job brokerage schemes	650	299.8
2	Result	R306 – Increase in the number of individuals gaining employment through supported ICT facilities	600	24.5
2	Result	R307 – Increase in the number of individuals gaining employment through supported e-learning/childcare/community facilities	550	22.5
2	Result	R314 – Number of gross jobs created	4500	5.0
TOTAL Competitiveness Objective			134036	11.7