

REPORT TO INFRASTRUCTURE SERVICES COMMITTEE – 12 MARCH 2020

RESPONSE TO SCOTTISH GOVERNMENT CONSULTATION ON EUROPEAN TERRITORIAL CO-OPERATION PROGRAMMES 2021-27

1 Reason for Report / Summary

- 1.1 The European Union operates a number of funding programmes, which support and fund international co-operation projects. Post-Brexit, the UK will have the option to opt into these programmes but will not be required to. The Scottish Government is consulting on the design of European Territorial Co-operation programmes. This report puts forward a proposed Aberdeenshire Council response to the consultation for consideration by Committee.

2 Recommendations

The Committee is recommended to:

- 2.1 Consider and approve the proposed response to the Scottish Government’s consultation on the design of future European Territorial Co-operation projects, as set out at Appendix 1 to this report.**

3 Purpose and Decision Making Route

- 3.1 The UK presently participates in a number of EU-funded programmes, including European Territorial Co-operation programmes. These are informally referred to as INTERREG programmes. INTERREG programmes support co-operation projects between organisations in different countries on themes such as innovation, climate change and transport. Each INTERREG programme covers a defined geographical area and sets its own priorities. Grants (typically 50%) are awarded to consortia to deliver specific projects.
- 3.2 After the UK has left the EU, there will not be automatic participation in INTERREG programmes. However, there is likely to be an option for the UK to participate as a Third Country provided that it provides funding for the costs of UK project partners. The UK Government has not yet made a decision to ‘opt-in’ to the programmes. The Scottish Government is supportive of opting-in and launched a [consultation](#) on 10 January 2020 on the design of the 2021-27 INTERREG programmes. The consultation closes on 27 March 2020.

4 Discussion

- 4.1 The aim of the Scottish Government’s consultation would appear to be to develop the Government’s negotiating position in the event that programmes are co-designed by the EU and third countries. The majority of questions are multiple choice rather than open questions. The extent to which programmes should be aligned with Scottish Government national policies is a recurring theme in the consultation.

4.2 The consultation also asks whether or not consultees are in agreement with the conclusions of a report on '[European Territorial Co-operation in Scotland Post-2020](#)' commissioned by Scotland Europa. The main conclusions of the report are as follows:

4.2.1 There is on-going commitment and enthusiasm, with particular value attached to European Territorial Cooperation as a source of:

- productive networking and exchange of ideas: engagement with partners at the leading edge of research and within key sectors;
- building and extending innovation and competitiveness through collaboration;
- achieving scale and critical mass to engage in international markets;
- strategic engagement and profile in key areas; and
- 'distinct' funding resource, without parallels in domestic policy.

4.2.2 Stakeholders expressed interest in engaging on a wide range of issues, with particular attention focussed on the 'Smarter' and 'Greener' themes.

4.2.3 The value of cooperation across all of the EU was emphasized, with particular emphasis on 'Northern links' to the Nordic countries, North Sea, Denmark, Netherlands, Belgium, Germany and France.

4.2.4 Collaboration is increasingly able to deliver:

- greener initiative and development;
- skills and institutional capacity;
- growth and jobs in key, sustainable, sectors;
- new products, services, sectors and markets;
- supporting product, service and policy innovation; and
- building the profile and confidence of Scottish stakeholders at home and internationally.

4.3 The European Member Officer Working Group considered and endorsed the proposed response at its meeting on 29 March 2020.

5 Council Priorities, Implications and Risk

5.1 The following Council priorities are relevant to this report:

- Support a strong, sustainable, diverse and successful economy;
- Have the best possible transport and digital links across our communities
- Deliver responsible, long-term financial planning
- Have the right people, in the right place, doing the right thing, at the right time
- Protect our special environment, including tackling climate change by reducing greenhouse gas emissions

5.2 The table below shows whether risks and implications apply if the recommendation is agreed.

Subject	Yes	No	N/A
Financial			X
Staffing			X
Equalities			X
Fairer Scotland Duty			X
Town Centre First			X
Sustainability			X
Children and Young People's Rights and Wellbeing			X

5.3 An equality impact assessment is not required as this item seeks approval for a consultation response and does not have a differential impact on any of the protected characteristics.

5.4 There are no direct staffing, financial, sustainability, children and young people's rights and wellbeing implications arising from this report.

5.5 The following Risks have been identified as relevant to this matter on a Corporate Level:

- Budget pressures
- Changes in Government policy, legislation and regulation
- Business organisational change
- Working with other organisations
- Environmental challenges e.g. extreme weather events, climate change.

The following Risks have been identified as relevant to this matter on a Strategic Level:

- Balancing the books
- Support inclusive, vibrant and healthy communities
- Active Travel
- Climate Change
- Economic Development

6 Scheme of Governance

6.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments are incorporated within the report and are satisfied that the report complies with the Scheme of Governance and relevant legislation.

6.2 The Committee is able to consider and take a decision on this item in terms of Section F1.1b and F.3.2 of the List of Committee Powers in Part 2A of the Scheme of Governance as this relates to approval of a consultation response relating to Economic Development.

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APPENDIX 1 – DRAFT CONSULTATION RESPONSE

All programmes

1. What do you consider to be the main aims that the Scottish Government should be seeking to achieve through European Territorial Cooperation (ETC) programmes?

With the UK set to leave the EU at the end of 2020, there will be a need to identify ways of facilitating co-operation with other European countries and regions to tackle common challenges. The European Territorial Co-operation/INTERREG programmes provide an established structure through which to continue and develop co-operation through the co-design of programmes and delivery of projects with other European countries.

Participation in the INTERREG programmes is technically feasible for third countries, provided that there is political willing to do so and the provision of financing. It is presently unclear as to whether or not the UK Government wishes to 'opt in' to the INTERREG programmes. As such, one aim for the Scottish Government to seek to achieve would be for the UK Government to formally opt into ETC programmes or provide the opportunity for Devolved Administrations to do so.

The continuation of INTERREG programmes at their present scale in future is by no means guaranteed, with reductions in the overall EU budget post-Brexit necessitating a contraction of existing programmes in the absence of increased resourcing from other sources. The participation of third countries such as the UK and Norway may be critical for the viability of some programmes (e.g. the INTERREG North Sea Region programme). Another aim of the Scottish Government should be to ensure that the geographies of the ETC programmes are appropriate for Scotland and that the overall number of programmes is not reduced in a way which is disadvantageous for Scotland. Aberdeenshire Council's experience with INTERREG programmes is predominantly with the North Sea Region programme, the continuation of which would be strongly advocated.

Once the continuation of the programmes of interest to Scotland and the ability to opt into these programmes is secured, consideration should be given to the resources available and priorities. As such, two further aims for the Scottish Government should be to ensure that an appropriate level of budgetary contribution is secured (either from the UK Government or from the Scottish Government itself) and to ensure that the priorities of the programmes reflect the needs and interests of stakeholders in Scotland.

If the above aims are achieved and the programmes enter their operational phase, a further aim for the Scottish Government should be to ensure that there is adequate representation of the Scottish Government and other stakeholder organisations in the decision-making structures of the programmes (e.g. the Programme Monitoring Committees).

2. How do you think working together with organisations from other countries could help you or your organisation or your members' organisations?

Working together with organisations from other countries can assist Local Authorities to:

- 1) Identify new solutions to common challenges through learning from other regions and organisations outside the public sector
- 2) Develop and improve new international transport links
- 3) Secure funding to test new ideas and apply these in real world scenarios
- 4) Improve infrastructure through carrying out pilot projects locally as part of a larger transnational project
- 5) Respond more effectively to international challenges such as climate change and management of shared waters
- 6) Develop new market opportunities with a transnational element (e.g. carbon capture and storage/North Sea electricity grid)
- 7) Pool and share expertise with a wide range of individuals and organisations
- 8) Build international links (either civic, educational or economic) with other European regions

There are therefore both tangible and intangible benefits from working with organisations from other countries ranging from the development of local infrastructure to learning from others to improve the efficiency or effectiveness of service delivery.

3. How many priorities do you think future ETC programmes should support? (Programmes can support up to three priorities plus the Interreg specific objectives – see consultation document for more information about the priorities)

• One	
• Two	
• Three	
• Three plus Interreg specific	X
• Don't know	

4. Please rank the priorities below in order of importance to you/your organisation. One being the most important and five being the least:

• A Smarter Europe	3
• A Greener, Low Carbon Europe	2
• A More Connected Europe	1
• A More Social Europe	4
• A Europe Closer to the Citizens	5

5. Do you agree with the conclusions of the [European Policies and Research Centre report](#)?

• Yes	X
• To some extent	
• No	

5b. Which conclusions do you disagree with and why?

N/A

6. Which ETC programmes have you been involved in?

• None	
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• Atlantic Area	
• North Sea	X
• North West Europe	X
• Northern Ireland-Ireland-Scotland (otherwise known as Interreg VA)	
• Northern Periphery and Arctic	
• Interreg Europe	X
• Urbact	
7. How could ETC programmes improve communication of funding opportunities, calls, access to information, and application processes and systems?	
The communication of the above information has been generally satisfactory to date, with Aberdeenshire Council's experience primarily that of the INTERREG North Sea Region programme. Most information required is easy to find on the programme website and there is regular electronic communication from the programme Secretariat.	

Programme specific questions

Atlantic Area

8. The 2021-2027 Regulation is expected to require the Atlantic Area programme to spend at least 70% of the funding on projects which help deliver the Atlantic Maritime Strategy. In your view, what should the remaining Atlantic Area programme budget be used for (tick all that apply):	
• to support projects under the social priority	
• to help more people benefit from the results of successful projects	
• to encourage projects to link up with others working on the same challenge to improve their work	
• other (please state)	
• don't know	X

North West Europe

9. What do you consider to be the main aims that the Scottish Government should be seeking to achieve through the North West Europe programme?	
The 2014-20 North West Europe programme focusses on the themes of Innovation, Low carbon and resource and materials efficiency. These themes appear appropriate and complement those of neighbouring programme areas such as the North Sea Region programme. As such, the main aims that the Scottish Government should be seeking to achieve would be to support projects which help to decarbonise the economy and reduce waste through a circular economy.	
10. Which of Scotland's National Performance Framework outcomes do you think this programme should try to help achieve (tick up to three):	
• Children and young people: We grow up loved, safe and respected so that we realise our full potential	

<ul style="list-style-type: none"> • Communities: We live in communities that are inclusive, empowered, resilient and safe 	
<ul style="list-style-type: none"> • Culture: We are creative and our vibrant and diverse cultures are expressed and enjoyed widely 	
<ul style="list-style-type: none"> • Economy: We have a globally competitive, entrepreneurial, inclusive and sustainable economy 	X
<ul style="list-style-type: none"> • Education: We are well educated, skilled and able to contribute to society 	
<ul style="list-style-type: none"> • Environment: We value, enjoy, protect and enhance our environment 	X
<ul style="list-style-type: none"> • Fair Work and Business: We have thriving and innovative businesses, with quality jobs and fair work for everyone 	
<ul style="list-style-type: none"> • Health: We are healthy and active 	
<ul style="list-style-type: none"> • Human rights: We respect, protect and fulfil human rights and live free from discrimination 	
<ul style="list-style-type: none"> • International: We are open, connected and make a positive contribution internationally 	X
<ul style="list-style-type: none"> • Poverty: We tackle poverty by sharing opportunities, wealth and power more equally 	
<ul style="list-style-type: none"> • Don't know 	

North Sea

11. What do you consider to be the main aims that the Scottish Government should be seeking to achieve through the North Sea programme?

The main aims of participation in the North Sea Region programme should be to provide a forum and financing for initiatives which address common challenges or achieve common objectives for regions bordering the North Sea. Such challenges and objectives should be common to all regions and be transnational in nature. The [North Sea Commission](#) is a partnership organisation which a number of Scottish Local Authorities are members of. The organisation is carrying out considerable work to identify priorities for co-operation in the North Sea Region and has identified the following as objectives for the 2020-30 period:

- **A productive and sustainable North Sea**
- **A climate-neutral North Sea Region**
- **A connected North Sea Region**
- **A smart North Sea Region**

The current North Sea Region programme focusses on Thinking Growth (1); Eco-Innovation (0); Sustainable North Sea Region (1); and Green Transport and Mobility (3). The number of projects supported with Scottish partners in 2014-20 under the above priorities is provided in brackets for illustration after each priority (sourced from the INTERREG North Sea Region programme website). This reflects Aberdeenshire Council's experience that the latter priority is of greatest interest and value. The EPRC report found that stakeholders favoured the 'smarter' and 'greener' themes. As such, it would appear appropriate that the future North Sea Region programme focusses on themes such as those above identified by the North Sea Commission.

Due to the geographical area covered by the North Sea programme, there has been a focus on maritime issues.	
12. To what extent do you think Scotland should seek to align the new programme with Scotland's National Marine Plan?	
<ul style="list-style-type: none"> • Completely - all projects with Scottish partners should contribute to the delivery of Scotland's Marine Plan 	
<ul style="list-style-type: none"> • To some extent – the programme should also support projects which are not focused on maritime/coastal communities 	
<ul style="list-style-type: none"> • Not at all - the programme should focus on something else instead (list ideas below) 	X
<p>Scotland's National Marine Plan and the INTERREG North Sea Region programme appear to cover distinct geographies. The National Marine Plan focuses primarily on the management of activity within Scottish waters whereas the INTERREG programme looks at the wider macro-region and supports a number of non-marine projects. Whilst there may be possibilities for INTERREG projects which contribute to the themes of the National Marine Plan, there is a need to ensure that the North Sea Programme takes a broader perspective than a national plan and that there is added value of transnational co-operation. As such, it is suggested that the future North Sea Region programme be aligned with wider international strategies such as the North Sea Region 2030 strategy presently being drafted by the North Sea Commission.</p>	

Northern Periphery and Arctic

13. What do you consider to be the main aims that the Scottish Government should be seeking to achieve through the Northern Periphery and Arctic programme?	
As Aberdeenshire is out with the geographical scope of this priority, the Council has no comments on this programme.	
The Scottish Government's Arctic Policy Framework sets out a prospectus for even closer Scottish-Arctic cooperation. It details how EU programmes have helped countries in the northern periphery and arctic area work together, and suggests areas for future collaboration.	
14. To what extent do you think Scotland should seek to align this programme with Scotland's Arctic Policy Framework?	
<ul style="list-style-type: none"> • Completely - all projects with Scottish partners should contribute to the delivery of Scotland's Arctic Policy Framework 	
<ul style="list-style-type: none"> • To some extent – the programme should also support other projects which address the needs of remote, rural and sparsely populated areas 	X
<ul style="list-style-type: none"> • Not at all- the programme should focus on something else (write what in the box below) 	

Interreg Europe

15. How do you think this programme could help public authorities improve the design and delivery of policies and related services?	
The programme is designed to facilitate exchange of experience between different regions of Europe. There is therefore an opportunity to learn from the experience of others on what has been effective and what has not been in their area. Participation in the programme can bring new perspectives to the design and delivery of policies and related services as well as encourage innovative thinking and inspire change from the status quo.	
16. To what extent should the future Interreg Europe programme also fund the work to deliver the policies developed?	
• Not all – other sources of funding should be used for this	
• To some extent – small scale pilots should be funded	X
• To a greater extent - a significant amount of the funding should be used for this	
• Don't know	

Urbact

17. How do you think this programme can help Scottish cities?	
As Aberdeenshire is out with the geographical scope of this priority, the Council has no comments on this programme other than to highlight that city region areas cover broader geographies than the urban areas supported by the URBACT programme and also include smaller settlements and rural areas. This should be taken into account when considering alignment between the two.	
18. To what extent do you think Scotland should seek to align this programme with shared priorities in city-region deals?	
• Completely - all projects with Scottish partners should contribute to the delivery of the relevant city-region deal	
• To some extent – the programme should also support other projects which address the needs of Scottish cities	X
• Not at all - the programme should focus on something else instead (write what in the box below)	
• Don't know	

Future cooperation with Ireland and Northern Ireland though ETC programmes

The current Northern Ireland-Ireland-Scotland programme will be merged with the PEACE programme post 2020 to form PEACE Plus , which will focus on the border area of Ireland and Northern Ireland (without Scotland). SEUPB, the organisation which manages the programme, are carrying out a separate consultation on the design of the PEACE Plus programme. Ireland and Northern Ireland are part of 3 other ETC programmes that Scotland are also part of (not including Urbact and Interreg Europe).

19. How do you think Scotland can best continue to collaborate with Ireland and Northern Ireland through ETC programmes?	
<ul style="list-style-type: none"> • through the other ETC programmes that Ireland and Scotland are part of 	X
<ul style="list-style-type: none"> • through setting up a separate ETC programme with Scotland, Ireland and Northern Ireland 	
<ul style="list-style-type: none"> • by Scottish originations being associate partners in PEACE Plus projects/making the most of the flexibility the programmes have to award funding to organisations outside of the programme area. 	
20. What do you consider to be the main aims that we should be seeking to achieve through collaborating with Ireland and Northern Ireland in ETC programmes?	
<p>Given that Scotland may effectively become a gateway between the UK and EU Single Market (with Northern Ireland in the first and closely aligned with the latter), it may be appropriate to consider how co-operation programmes can facilitate greater connectivity between the island of Ireland and Great Britain.</p>	

