EDC-08-99(P8)

ECONOMIC DEVELOPMENT COMMITTEE

Date:13 October 1999

Venue:Committee Room 2, National Assembly Building

Title:European Structural Funds: Financial Tables

Purpose

1 EDC-08-99 (p.1) explains the relationship between European, UK Government and match funding and provides a financial breakdown of forecast payments for 2000-01 as between current and new EU programmes.

2. This paper explains the structure of the financial tables to be included as part of the Objective 1 Single Programming Document:.

Allocations between Priorities

- 3. The submission to the European Commission requires a judgement to be made on how the total EU funds available for Objective 1 might most effectively be allocated to each of the Priority areas, taking into account the substantially greater level of funding now available to Wales.
- 4. The allocations proposed in this paper reflect views expressed in the European Task Force and in responses to the public consultation that substantial funding should be made available for business development, for communities and for human resource development. The provision for infrastructure under Priority 2 also takes into account the broader range of possibilities within the scope of Objective 1 compared to earlier Objective 2 and 5b programmes.
- 5. Taking these factors into account, the summary below shows how expenditure of EU funds under <u>all current</u> EU programmes over the period 1994-99 in Wales compares with those now proposed for Objective 1:

£million	All Current	Obj. 1	Extra
Priority	Programmes		
1. Business	313	490	177
2. Infrastructure	74	245	171
3. Communities	70	127	57
4.Employability	158	276	118
5. Natural Resources	25	78	53

EU Grant Rates

6.Across the programme, the maximum permitted EU grant for particular activities will be decided in the forthcoming discussions with the European Commission (the Regulations presently only indicate a maximum of a 40% grant for infrastructure and a 75% grant for community development). The working assumptions in the tables are that grant rates would be as follows:

Business Development	50%
Infrastructure	40%
Community Development	75%
Humman Resource Development	55%
Natural Resources	55%

Match Funding

7. The rate of EU grant decided for particular activities will in turn dictate the level of match funding which would need to be provided from the public and private sectors in Wales.

8.EDC-08-99 (p.1) explains the current difference of view between the UK and the European Commission on the treatment of private sector contributions to the programme. To illustrate this:

Annex A: gives an allocation of EU funding to each of the 5 Priorities

for the total programme period and, on the above assumptions

about the percentage of EU grant payable, the potential consequential

level of match funding that might be involved.

The table reflects the UK position whereby public and private

sector match funding are interchangeable.

Annex B: This is similar to Annex A but reflects the Commission's preferred

course whereby EU grants are matched wholly by the public

sector. The private sector input is additional to this.

9.A wide range of public, private and voluntary bodies have been traditionally involved in European programmes and contributed match-funding. The following is a summary of the position under the existing Industrial South Wales Programme (1997-99) and the Rural Wales Programme (1994-99).

£m.	ISW	Rural Wales
Total Programme Wales	295	351
EU Funds	106	116
Public Match	118	140
Private Match	71	95

Single Programming Document

10. The SPD document to be submitted to Brussels will need to include comprehensive information on the financial framework proposed for the programme. The series of tables at Annex C are the drafts suggested for this purpose. These are based on:

- the allocation of EU funds to priorities as described above;
- the programme commitments profile to which Wales is required to work;
- assumptions on the likely timescale for projects emerging under the different Priorities;
- assumed rates of grant for each Priority;
- the treatment of private sector "match funding" as interchangeable with that

of the public sector in line with the general UK approach.

EUROPEAN AFFAIRS DIVISION

ANNEX A

<u>Priority</u>	<u>SFs</u>	Grant Rate %	Probable Match Public	Privat e Contribution	TOTAL £m
P1. Business Competitiveness	490		390	100	980
		(50)			

	245	(40)	187	180	612
P2. Competitive Environment					
	127	(75)	42		169
P3. Community Regeneration					
	276	(55)	211	15	502
P4. Employability					
	78	(55)	49	14	142
P5. Sustainable & Natural					
Resources					
	1,216	(51)	879	309	2,404
TOTAL					

ANNEX B

<u>Priority</u>	<u>SFs</u>	Grant Rate	Probable Match	Privat e Contribution	TOTAL £m
		%	<u>Public</u>		
P1. Business Competitiveness	490		446	100	1036
		(50)			
	245	(40)	310	180	735
P2. Competitive Environment					

	127	(75)	42		169	
P3. Community Regeneration						
	276	(55)	226	15	517	
P4. Employability						
	78	(55)	64	10	152	
P5. Sustainable & Natural						
Resources						
	1,216	(51)	1,088	305	2,609	
TOTAL						

Annex C

Objective 1 Single Programming Document Financial Plans 2000-2006

The financial allocations relating to expenditure co-financed by the Structural Funds are shown below in the following tables (tables sent to the Assembly are stated in pounds sterling; those forwarded to the Commission will be presented in euros at an exchange rate of £1:1.53 euro).

- 3.1 Financial Table by Priority.
- 3.2 Financial Table by year.
- 3.3 Financial Table by priority and Structural Fund. An individual table is given for each year. **Annual figures represent only committments made in that year, not spending.**

The tables assume that grant rates will be as follows:

Priority 1 Business Competitiveness	50%
Priority 2 A Competitive Environment	40%
Priority 3 Community Regeneration	75%

Priority 4 Human Resource Development	55%
Priority 5 Sustainable use of Natural resources	55%

Table 3.1

Other Public Total Cohesion EIB financial œst Private Fund Priority/Year loans instruments Community Participation National public Total (to be other to be specified) specified ERDF ESF Total EAGGF FIFG Total Central Local Priority 1- Business Competitiveness 880 490.2 370 390 100 980.4 120.2 Prioty 2 - Competitive Environment 612.5 432 245 245 187 180 Priority 3 - Community Regeneration 169.25 169.25 127 88 39 43

£mn

Promity 4 - Promoting Employability and the Deueloomentofa Learning Society 502 487 276 25 251 211 15 Priority 5 - Promoting the sustainable use of natural resources 142 128 78 68 10 49 14 Technical Assistance 9.6 4.8 4.8 4.8 2416 2,106 1,221 733 410 10 885 309 68 TOTAL

Table 3.2

Table 3.2										
		Public Expenditure								
YEAR	Total cost	Total	Total European Union						Private	
		public	Total	ERDF	ESF	F EAGGF FIFG		contribution	contribution	
2000	389.8	338	187	123	55	8	1	152.8	52	
2001	372	316	184	112.6	60	10	1.4	132	56	
2002	367.7	310.7	180	107.5	60	11	1.5	130.7	57	
2003	351.7	297	177	107.4	57.1	11	1.5	120.7	54	
2004	299.7	261	157	84	61.5	10	1.5	104.7	38	
2005	319.3	289.5	169	97.8	60.6	9	1.6	120.1	30	
2006	315.8	293.8	167	100.5	56	9	1.5	127	22	
TOTAL	2416	2,106	1,222	733	410.2	68	10	885	309	

Table 3.3 £millions

		Public Expenditure								
2000	Total cost	Total public		Euro		National	Private			
		palolic	Total	ERDF	ESF	EAGGF	FIFG	contribution	contribution	
PRIORITY										
1. Business Competitiveness	97.3	83.8	48.65	38.65	10			34.65	1	
Total ERDF related				38.65						
Total ESF releated					10					
Total EAGGF related										
Total FIFG related										
2. Competitive Envionment	175	141	70	70				71	3	
Total ERDF related				70						
Total ESF releated										
Total EAGGF related										
Total FIFG related										
3. Community Regeneration	18.6	18.6	14	9	5			4.6		
Total ERDF related				9	_					
Total ESF releated				Ĭ	5					
Total EAGGF related					J					
Total FIFG related										
4. Promothig Employability and the										
Dettelonment of a Telaruluri Societir	81.8	79.8	45	5	40			34.8		
Total ERDF related				5						
Total ESF releated				1	40					
Total EAGGF related					,,,					
Total FIFG related										
5. Promoling the sustainable use of natural										
resources	16.4	14.4	9			9	1	4.6		
Total ERDF related										
Total ESF releated										
Total EAGGF related						9				
Total FIFG related							1			
3. Technical <i>Ass</i> istance	0.7	0.7	0.35	0.35				0.35		
Total ERDF related										
Total ESF releated										
Total EAGGF related										
Total FIFG related										
PROGRAMME TOTAL	389.8	337.8	187	123	55	8	1	150.8	ę	

	T	Public Expenditure							
2001	Total cost	Total		Eur		National	Private		
		public	Total	ERDF	ESF	EAGGF	FIFG	contribution	contribution
PRIORITY									
Business Competitiveness	138.3	124.3	69.15	54.15	15			55.15	14
Total ERDF related				56					
Total ESF releated					15				
Total EAGGF related									
Total FIFG related									
2. Competitive Environment	112.5	74.5	45	45				29.5	38
Total ERDF related	۰۰۰۰۰	17.0	70	45				20.0	
Total ESF releated				45					
Total EAGGF related									
Total FIFG related									
Community Regeneration	16.8	16.8	12.6	7.6	5			4.2	
Total ERDF related	10.0	10.0	12.0	7.6				7.2	
Total ESF releated				7.0	_				
Total EAGGF related					5				
Total FIFG related									
4. Promoting Employability and the									
Develorment of a Tearning Society	82	80	45	5	40			35	2
Total ERDF related				5					
Total ESF releated					40				
Total EAGGF related									
Total FIFG related									
5. Promoting the sustainable use of natural									
resources	20.7	18.7	11.4			10	1.4	7.3	2
Total ERDF related									
Total ESF releated	1								
Total EAGGF related	1					10			
Total FIFG related							1.4		
6. Technical <i>Ass</i> istance	1.7	1.7	0.85	0.85				0.85	
Total ERDF related									
Total ESF releated	1								
Total EAGGF related									
Total FIFG related	1								

Total FIFG related									
PROGRAMME TOTAL	372	316	184	112.6	60	10	1.4	132	

					Pub	lic Expenditu	re		
2002	Total cost	Total public		Eur	opean Unio	ıΠ		National	Private
		ривно	Total	ERDF	ESF	EAGGF	FIFG	contribution	contribution
PRIORITY									
1. Business Competitiveness	131.4	116.4	65.7	45.7	20			50.7	15
Total ERDF related				45.7					
Total ESF releated					20				
Total EAGGF related									
Total FIFG related									
2. Competitive Environment	125	88	50	50				38	37
Total ERDF related	1 '23		30	50				30	
Total ESF releated				30					
Total EAGGF related									
Total FIFG related									
3. Community Regeneration	16	46	42	7	-			4	
Total ERDF related	16	16	12	7	5			4	
Total ESF releated				7					
Total EAGGF related					5				
Total FIFG related									
4. Promoting Employability and the									
Develorment of a Tearning Society	71	68	39	4	35			29	3
Total ERDF related									
Total ESF releated									
Total EAGGF related									
Total FIFG related									
5. Promoting the sustainable use of natural									
resources	22.7	20.7	12.5			11	1.5		2
Total ERDF related									
Total ESF releated									
Total EAGGF related						11			
Total FIFG related							1.5		
6. Technical Assistance	1.6	1.6	0.8	0.8				0.8	
Total ERDF related									
Total ESF releated									
Total EAGGF related									
Total FIFG related									

Total File of letated									
PROGRAMME TOTAL	367.7	310.7	180	112.6	60	11	1.5	130.7	57

					Pub	lic Expenditu	ire		
2003	Total cost	Total		Euro	pean Unio	ח		National	Private
		public	Total	ERDF	ESF	EAGGF	FIFG	contribution	contribution
PRIORITY									
l. Business Competitiveness	165.6	147.6	82.8	64.7	18.1			64.8	
Total ERDF related				64.7					
Total ESF releated					18.1				
Total EAGGF related					10.1				
Total FIFG related									
. Competitive Envionment	75	43	30	30				13	
Total ERDF related				30					
Total ESF releated									
Total EAGGF related									
Total FIFG related									
. Community Regeneration	16	16	12	8	4			4	
Total ERDF related				8					
Total ESF releated					4				
Total EAGGF related									
Total FIFG related									
4. Promoting Employability and the									
Develormentofa Learning Society	71	69	39	4	35			30	
Total ERDF related				4					
Total ESF releated					35				
Total EAGGF related									
Total FIFG related									
5. Promoting the sustainable use of natural									
esources	22.7	20.7	12.5			11	1.5	8.2	
Total ERDF related									
Total ESF releated		 							
Total EAGGF related		 				11	l		
Total FIFG related		 				 ''	1.5		
i. Technical Assistance	1.4	1.4	0.7	0.7			1.0	0.7	
Total ERDF related	1	'''	2.1						
T EAS	I	ı I		ı I		I	I	I	I

	Programme Total	351.7	297.7	177	107.4	57.1	11	1.5	120.7	54
	Total FIFG related									
١	Total EAGGF related									
١	Total ESF releated									
٦	Total ERDF related									

					Pub	lic Expenditu	ire			
2004	Total cost	Total public		Euro	opean Unio	n		National	Private	
		paiorio	Total	ERDF	ESF	EAGGF	FIFG	contribution	contributio	
PRIORITY										
1. Business Competitiveness	128.8	113.8	64.4	42.9	21.5			46.7		
Total ERDF related				42.9						
Total ESF releated				12.0	21.5					
Total EAGGF related					21.0					
Total FIFG related										
. Competitive Environment	-	31	20	20				11		
Total ERDF related	- 50	31	20				 	11		
Total ESF releated				20						
Total EAGGF related										
Total FIFG related										
. Community Regeneration	31.2	31.2	23.4	17.4	6			7.8		
Total ERDF related				17.4						
Total ESF releated					6					
Total EAGGF related										
Total FIFG related										
4. Promoting Employability and the										
Develormentota Learning Society	67.3	65.3	37	3	34			28.3		
Total ERDF related				3						
Total ESF releated				_	35					
Total EAGGF related					33		l			
Total FIFG related										
5. Promoting the sustainable use of natural										
esources	21	19	11.5			10	1.5	7.5		
Total ERDF related										
Total ESF releated										
Total EAGGF related										
	1	1				10			1	

Programme Total	299.7	261.7	157	84	61.5	10	1.5	104.7	38
Total FIFG related									
Total EAGGF related									
Total ESF releated									
Total ERDF related									
6. Technical Assistance	1.4	1.4	0.7	0.7				0.7	
Total FIFG related							1.5		
Total EAGGF related						10			

				re					
2005	Total cost	Total		Eur	opean Unio	n		National	Private
		public	Total	ERDF	ESF	EAGGF	FIFG	contribution	contribution
PRIORITY									
Business Competitiveness	159.4	146.4	79.7	61.1	18.6			66.7	13
Total ERDF related				61.1					
Total ESF releated					18.6				
Total EAGGF related									
Total FIFG related									
2. Competitive Environment	37.5	24.5	15	15				9.5	13
Total ERDF related	1			15					
Total ESF releated				,,,					
Total EAGGF related									
Total FIFG related									
3. Community Regeneration	36	36	27	19	8			9	
Total ERDF related				19					
Total ESF releated					8				
Total EAGGF related					Ĭ				
Total FIFG related									
4. Promoting Employability and the									
Development of a Team Ind Society	65.5	63.5	36	2	34			27.5	2
Total ERDF related				2					
Total ESF releated					34				
Total EAGGF related									
Total FIFG related									
5. Promoting the sustainable use of natural									
resources	19.3	17.3	10.6			9	1.6	6.7	2

resources	19.3	17.3	10.6			9	1.6	6.7	2
Total ERDF related									
Total ESF releated									
Total EAGGF related						9			
Total FIFG related						Ĭ	1.6		
6. Technical Assistance	1.4	1.4	0.7	0.7				0.7	
Total ERDF related									
Total ESF releated									
Total EAGGF related									
Total FIFG related									
PROGRAMME TOTAL	319.1	289.1	169	97.8	60.6	9	1.6	120.1	30

2006	Total cost	Total		Eur	opean Unio	n		National	Private
		public	Total	ERDF	ESF	EAGGF	FIFG	contribution	contribution
PRIORITY									
Business Competitiveness	159.6	148.6	79.8	62.8	17			68.8	11
Total ERDF related				62.8					
Total ESF releated				02.0	17				
Total EAGGF related									
Total FIFG related									
2. Competitive Envionment	37.5	30.5	15	15				15.5	7
Total ERDF related	01.0	00.0		15				10.0	
Total ESF releated				13					
Total EAGGF related									
Total FIFG related									
3. Community Regeneration	34.66	34.66	26	20	6			8.66	
Total ERDF related				20					
Total ESF releated					6				
Total EAGGF related									
Total FIFG related									
4. Promoting Employability and the									
Dette former to falle are in a Society	63.6	61.6	35	2	33			26.6	2
Total ERDF related				2					
Total ESF releated					33				
Total EAGGF related									
Total FIFG related									
5. Promoting the sustainable use of natural									

5. Promoting the sustainable use of natural									
resources	19	17	10.5			9	1.5	6.5	2
Total ERDF related									
Total ESF releated									
Total EAGGF related						9			
Total FIFG related						,	1.5		
6. Technical Assistance	1.4	1.4	0.7	0.7				0.7	
Total ERDF related									
Total ESF releated									
Total EAGGF related									
Total FIFG related									
PROGRAMME TOTAL	315.75	293.75	167	100.5	56	9	1.5	126.75	22