

EASTERN SCOTLAND EUROPEAN PARTNERSHIP THE SUSTAINABLE DEVELOPMENT PROJECT

Final Report



eastern
scotland
european
partnership



ASSISTING PROGRESS THROUGH PARTNERSHIP



THE SUSTAINABLE DEVELOPMENT PROJECT FINAL REPORT

Foreword by Scottish Minister

It gives me great pleasure to welcome this valuable and useful piece of work which I confidently expect to contribute greatly to the work of economic development and structural fund implementation throughout Eastern Scotland in the future.

Scottish Ministers are determined to put sustainable development at the heart of policy and more explicitly to put sustainable development into policy for economic development and enterprise. Too many people still see sustainable development as referring solely to environmental issues. I am therefore glad to endorse the Eastern Scotland European Partnership's approach in this report which includes within the remit of sustainable development:-

- › economic development and enterprise
- › social inclusion and equal opportunities and
- › the protection and enhancement of the environment.

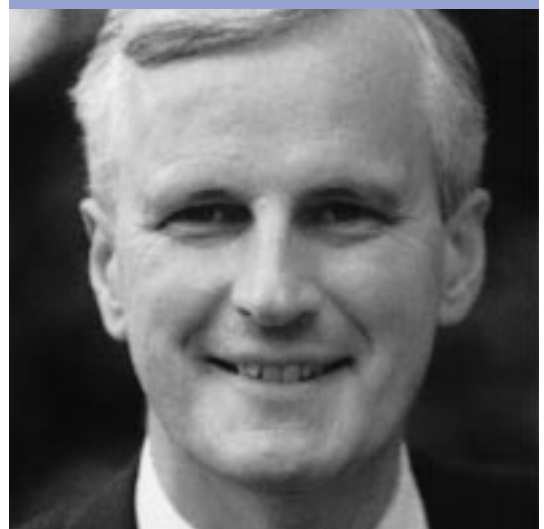
Together these are the building blocks for a sustainable Scotland and our new Executive will ensure that its own policies and those of its agencies fully take on board its principles and practice.

I am also very pleased to see that the Report shows how current best practice can be developed and identifies ideas for better ways of doing business, for transforming projects and for better impacting on regional economies. It is particularly pleasing to note that the Report makes clear how partnership, both local and pan-European, is essential to ensure that development is sustained through the years.

Across Scotland, Ministers will put sustainable development into the mainstream of our economic and other policies, and ensure that locally the benefits are shared by all. I congratulate the Eastern Scotland European Partnership for their contribution to that goal.



Michel Barnier
European Commissioner for Regional Policy



THE SUSTAINABLE DEVELOPMENT PROJECT FINAL REPORT

Preface by European Commissioner

The reduction of the prosperity gap between the regions is among the top priorities of the European Union. It is the central aim of the Union's regional policies under the Structural Funds. Not only do they have a direct impact on the quality of life of European citizens in the assisted regions themselves, regional policies also help to achieve a more balanced and, crucially, a more sustainable pattern of economic and social development across Europe's territory as a whole.

As we enter a new phase of European regional policies from the year 2000, the sustainability of economic development has moved to the centre of the new agenda in accordance with the Amsterdam Treaty. In the next period, we need to establish more firmly a regional development model that promotes not only the quality of life of the current generation of European citizens but also that of future generations. In fact, the new legislation on the Structural Funds requires it.

It is my view that the links between economic development, social cohesion and the environment need to be built at the regional and local level, with the involvement of actors at the grassroots. The integration of the environmental dimension is one of my main priorities for the next wave of regional programmes under Objectives 1 and 2.

I recognise that this is a challenge, but it is one that many regions have already addressed through a range of innovative projects, of which a number have been pilot projects supported by the Union. These pilot projects, involving several Member States, show Europe at its best, combining innovation with co-operation and exchange of experience. They demonstrate that regional strategies based on the application of the principles of sustainable development can be a source of new economic opportunities and employment.

I am delighted by the enthusiastic and committed way in which the Eastern Scotland European Partnership has contributed to this process. It is extremely helpful that the experience from this pilot project has been set out for others in this report. I am certain that it will be of benefit to all of those involved in preparing the next generation of European regional Programmes.

THE SUSTAINABLE DEVELOPMENT PROJECT

Integrating Sustainable Development into economic development programmes

‘Sustainable Development
is about making common
sense connections that
are not yet commonplace’

THE SUSTAINABLE DEVELOPMENT PROJECT

Executive Summary

Structural Funds provide an important resource for economic development programmes. Durable jobs; enabling skills; social inclusion; equal opportunities; environmental enhancement; restructuring the economy of the Eastern Scotland Programme Area needs all of these. Taken together, these are all aspects of what is meant by sustainable development.

Sustainable development is on the agenda of the Scottish Executive, the European Commission, and the other members of the Eastern Scotland European Partnership. It arose from the environmental imperative to avoid irreversible damage to the Earth's ecosystem, which remains, but is increasingly understood as a way of integrating efforts to secure economic competitiveness, social cohesion and environmental responsibility.

Definition of Sustainable Development

The Project Team adopted the following definition of sustainable development from work previously undertaken for the Commission:

"Sustainable Development aims to pursue three objectives in such a way as to make them compatible for both current and future generations:

- › Sustainable, non-inflationary economic growth;
- › Social cohesion through access for all to employment and a high quality of life; and
- › Enhancement and maintenance of the environmental capital on which life depends" (ECOTEC, 1997).

The Project has not treated sustainable development as an optional bolt-on or a specialist sub-component of the overall Programme, but as core business to be embedded in the mainstream. This approach is based on the premise that the Objective 2 Programme will retain its core objective of support for the provision of jobs and training, but that it will achieve that objective more effectively over the longer term if the issues of social inclusion and environmental enhancement become integral considerations throughout the Programme.

Sustainable development is about making common sense connections that are not yet commonplace.

These connections include, for example:

- › Enabling organisations to implement cost-effective energy efficiency measures;
- › Helping them improve the bottom line by minimising waste or marketing 'waste' products;
- › Promoting projects that give easier access to reliable, efficient public transport as an alternative to the car;
- › Supporting education and training provision that meets the needs and aspirations of both trainees and employers; and
- › Ensuring that child and dependent care provision remove barriers to training and job opportunities, and promote equal opportunities.

However, to realise this 'common sense' in practise is not easy nor is it often cost free. The lack of realisation goes to the heart of failures and imperfections in the market. The subject is complex. Critics can easily point to limited progress, while others can claim credit for little more than lip-service. On the other hand, longer term market benefits can be substantial. The Project Team have worked closely with a wide range of people involved in the work of the Partnership, and shared experience with participating regions elsewhere in Europe, to devise the proposed changes set out in this Final Report. Of these, perhaps the most significant and representative are the 12 sustainable development core criteria for project design and selection, and the associated draft guidance. However, these alone would be of less value if they were not backed up by the adoption of sustainable development as a core principle of the 2000-2006 SPD, as required by EC Guidance.

CONTENTS

Foreword by Scottish Minister	1	PART 2	
Preface by European Commissioner	3	Draft Guidance on the Core Criteria	
Executive Summary	5	Draft Guidance on the Core Criteria	25
Contents	6	Incorporating Sustainable Development	44
Map of Participating Regions in Pilot Project	7	Examples of Project Features	44
		Presenting Projects against the Core Criteria	45
		A. Forthside	46
		B. West Fife Enterprises	51
		C. Rosyth Europarc	55
		Sources of Advice	60
		Outcomes	
		Project Outcomes: The Way Forward	62
		Acknowledgements, References and Contacts	
		Acknowledgements	64
		References	68
		Participating EU Regions	70
		Contact Addresses	73
PART 1			
Background and Progress Achieved			
The Final Report: Purpose and Scope	8		
The Partnership and the Programme	9		
Sustainable Development	12		
The Project Described			
The Sustainable Development Project	16		
The New Core Criteria for Project Selection			
Sustainable Development Core Criteria	22		

Map of Participating Regions in Pilot Project

- 1 EASTERN SCOTLAND
- 2 NORRA NORRLANDSKUSTEN
- 3 BERLIN
- 4 ANHALT-BITTERFELD-WITTENBERG
- 5 NORDRHEIN WESTFALEN
- 6 ODERMÜNDUNG
- 7 GRONINGEN-DRENTHE
- 8 HIGHLANDS & ISLANDS
- 9 WEST CUMBRIA & FURNESS
- 10 HAUTE NORMANDIE
- 11 AQUITAINE
- 12 MIDI-PYRÉNÉEN
- 13 FRANCHE-COMTÉ*
- 14 NORD-PAS DE CALAIS*
- 15 RHÔNES-ALPES*

* Observer Regions



THE FINAL REPORT

PART 1

Background and Progress Achieved

What this Report is about; Stage Reached and Timetable

This Final Report presents to the Eastern Scotland European Partnership, to the European Commission and to other interested parties the outcome of a project exploring how to integrate sustainable development into the Eastern Scotland Objective 2 Programme.

The Report builds on two previous publications:

- › The Interim Report, completed March 1998, and submitted to the Eastern Scotland SPD Monitoring Committee in April 1998, and then to the Commission; and
- › The Consultative Report, presented to the Partnership Conference in November 1998; and further presented to a Network Meeting of European Projects participating in the Pilot Programme, held by the Commission in Brussels, February 1999.

That Consultative Report was well received and is re-stated, with only minor changes, as the first part of this Report. This sets out the background to the Report, describes the Project, and defines the 12 sustainable development core criteria for project design and selection. These core criteria are pivotal to integrating sustainable development principles into projects and into the Programme as a whole. Thus the second part of the Report, which is new, offers draft guidance on these core criteria, together with illustrations of how to incorporate sustainable development into projects. The Report then summarises the outcomes of the Project - what has been achieved, and the further activity planned.

The outcome of this project is a fundamental building block in the current preparation of the East of Scotland Structural Funds Programme for the period 2000-2006.

The Purpose of the Project

This project has examined how best to integrate sustainable development into the Partnership's regional economic development programme. The aim is to encourage development activities which are more sustainable by addressing the quality of the environment and social inclusion which, together with economic considerations, have an impact on the quality of life of residents in the Programme area. The project is supported by the European Commission under Article 7 of the European Regional Development Fund (ERDF).

The Scope of the Project

The project has examined the existing Objective 2 Programme for the period 1997/99, set out in the Single Programming Document (SPD), and has drawn on and developed a methodology devised for the Commission by ECOTEC. Members of the Partnership, its Advisory Groups, PMC and Monitoring Committee members and its Programme Executive have participated in a series of workshops and seminars to examine the existing Programme. Their views and inputs have been crucial in informing the work. The Project Steering Group has taken this forward with proposals for change to both the 1997-1999 SPD and, more especially, the 2000-2006 SPD.

THE PARTNERSHIP AND THE PROGRAMME

Introduction

Structural Funds

One of the major ways in which the European Union supports Member States is through assistance from the Structural Funds: financial support packages to regions of Europe undergoing structural change. Funding under Objective 2 is designed to help transform the economy of regions formerly dependent on traditional industries, e.g. coal mining, heavy engineering and manufacturing, and seriously affected by industrial decline.

Eastern Scotland

The primary criterion for EU support under Objective 2 has been the relative level of unemployment, together with dependency on, and decline in, industrial employment. Parts of Eastern Scotland - much of the Forth and Tay valleys, and Fife between them - have seen a major decline in manufacturing industries such as textiles and engineering, and the run down of the deep mining of coal. The new East of Scotland Plan Area now includes the current Eastern Scotland Objective 2 Programme Area and the current Objective 5b Programme Areas for Rural Stirling and Upland Tayside, and for North and West Grampian. The new Plan Area will cover over a quarter of the population of Scotland; it includes urban areas and their surrounding countryside, and now also peripheral and sparsely populated rural areas.

The Partnership & the Single Programming Document (SPD)

Programmes for Objective 2 areas are drawn up by partnerships of local agencies. They are submitted,

through the Member States government, for approval by the Commission. The programmes are set out in Single Programming Documents (SPDs) which specify the categories and criteria for the funding of projects, for which applications are invited.

The main partners in Eastern Scotland are:

- › The Scottish Executive and its agencies, including the competent environmental authorities, Scottish Natural Heritage (SNH) and the Scottish Environment Protection Agency (SEPA);
- › The European Commission;
- › The Scottish Enterprise network;
- › The Local Authorities in the area;
- › Higher and Further Education institutions; and
- › The voluntary sector.

Public (or quasi-public) agencies are eligible to make grant applications to the Partnership's Programme Executive, who are responsible for the processing of project approvals, and the monitoring and evaluation of approved projects. Thus in essence, the Objective 2 Programme is a source of grant aid for approved projects, and the types of projects to be approved are selected through the strategy set out in the Single Programming Document. Responsibility for the initiation and delivery of projects rests with the lead public sponsors.

THE PARTNERSHIP AND THE PROGRAMME

The 1997-9 Programme

[The 1997-9 Programme](#)

The current Eastern Scotland SPD runs for the 3 years 1997-9. Planning for the next SPD is now underway. In the course of the current SPD, 140 million ECU (£100m) will have been distributed to support productive investment (ERDF) and training and employment support (ESF) projects, under 12 Measures grouped into 4 Development Priorities:

Priority 1. Development of a dynamic, indigenous SME base

- 1.1 Support for business start-up, and access to capital (ERDF)
- 1.2 Support for SME growth and development (ERDF)
- 1.3 Assisting human resources development for SMEs and employment growth areas (ESF)
- 1.4 Investments in productive facilities (ERDF)

Priority 2. Tourism as a dynamic growth sector

- 2.1 Support for SMEs in the tourism and cultural industries (ERDF)
- 2.2 Support for strategic tourism development (ERDF)
- 2.3 Promotion of targeted tourism training and employment support (ESF)

Priority 3. Locally based initiatives - ensuring equality of opportunity and access to employment and prosperity

- 3.1 Community economic development (ERDF)
- 3.2 Community economic development (ESF)

Priority 4. Technology and innovation - converting new and emerging technologies into sustainable growth

- 4.1 Increasing the technological capacity of SMEs (ERDF)
- 4.2 Provision of facilities designed to strengthen the local R & D, technology transfer and HRD system for SMEs (ERDF)
- 4.3 Meeting HRD requirements in technology and applied research (ESF)

[Structure of the Single Programming Document](#)

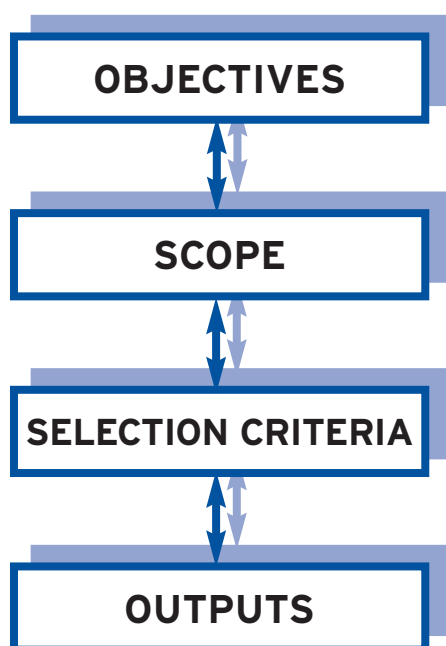
For each of the Measures above, the SPD sets out:

- › The overall Objectives
- › The potential Scope of initiatives which may be assisted
- › Project Selection Criteria; and
- › Outputs and impacts as the key indicators sought within the scope of the Measure.

The relationship between these components is shown diagrammatically in Figure 1. The Objectives set out the aims of the Measures, while the Scope

outlines the types of activities which may be eligible for assistance. The Selection Criteria (set out in separate documentation) are the basis on which applications for project funding are assessed; these expand on the project priorities set out in the SPD. Finally, the Outputs and impacts specified provide a guide to the indicators and targets sought within the Scope of the Measure.

Figure 1: Components of the SPD Measures



Projects Supported

Approved projects are supported at rates up to 50%, depending on the type of project. Projects assisted include major high profile developments, such as the proposed Millennium Canal Link. More typically a very wide range of business start up, expansion, and training schemes is supported. Start-up projects include the Personal Enterprise Road Show - a Scottish Enterprise initiative which encourages people to start up in business. Examples of projects that support SMEs are: Oriel Training Services, Fife; the Credit Union Development Scheme, Stirling; and the Trade Development Centre in Forth Valley. Tourism projects supported include Argyll's Lodgings, Stirling, and the Fife Coastal Path. Forthright Innovation, Stirling; the International Research Centre, Pentlands Science Park; and the Institute of Concrete Technology, University of Dundee, are all significant technology and innovation projects. Locally Based Initiatives such as Mid-Craigie Open Learning Centre, Dundee and the Craigmillar European Programme, Edinburgh are also funded.

SUSTAINABLE DEVELOPMENT

The Policy Context

Sustainable Development and Structural Funds

The support given under Objective 2 is not designed to shore up a flagging economy. It aims to help economic restructuring and, through so doing, tackle the problems of social (and individual) exclusion, and enhance the environment and quality of life of those who live and work in the area. These are all aspects of sustainable development.

Commitment to Sustainable Development in current SPD

The 1997-1999 SPD noted the emphasis on sustainability in the Commission's guidance note on the revision of Objective 2 Programmes, and acknowledged that the previous SPD "did not provide a clear focus for what was required in terms of project development". The SPD concluded that further work should be undertaken to ensure that these issues are addressed to a greater extent. However, at that stage the commitment was addressed more to the environmental aspects of sustainability alone rather than the relationship between job creation, training, social inclusion and the environment.

The Policy Context

Evolution of Policy on Sustainable Development

The policy context for sustainable development has now moved on. Environmental imperatives remain a crucial driver - in particular the risk of climate destabilisation through greenhouse gas emissions - but these are now increasingly linked to economic well-being and social justice. This evolution can be charted through the major landmarks of the 1990s. The Earth Summit in Rio in 1992 stressed the need to link the protection of the global environment with the distribution of resources and wealth. In 1997 at the UN, the Prime Minister endorsed the obligations entered into at Rio.

EU Policy

The policy of the European Union has been set out through the Single European Act of 1987, the Dublin Declaration of 1990, the Maastricht Treaty and the 5th Environmental Action Plan of 1992, the Amsterdam Treaty of 1997, and the 1998 Cardiff Summit. These now enshrine commitments to economic and social cohesion, to environmental protection and enhancement of the environment, and "to promote sustainable development and respect for the global commons".

Reflecting these changes at Heads of Government level, each time Structural Funds guidance has been revised, sustainable development has risen up the agenda. This is nowhere more clear and explicit than in the Guidance on 'The Structural Funds and their coordination with the Cohesion Fund: draft guidance for programmes in the period 2000-06' issued by the Commission in February 1999. This identifies two 'horizontal principles', which must be incorporated into all Structural Funds Programmes: sustainable development and equal opportunities. The document states:

"Under the Treaty of Amsterdam, the Union's financial instruments are required to work, simultaneously and in the long-term interest, towards economic growth, social cohesion and the protection of the environment; in other words sustainable development."

Extent of Policy Change

The pervasive extent of policy change which stems from these major international commitments is not yet widely appreciated. For example, in the energy field, the UK has made firm commitments to:

-
- › Reduce CO² emissions by 20% of 1990 levels, by 2010;
 - › Reduce energy use in housing by 30% (Homes Energy Conservation Act);
 - › Adopt mandatory air quality standards by 2005; and
 - › By 2010, 10% of electricity is to be generated by renewable sources (Madrid Protocol).

These commitments alone will require radical change to the ways in which we live and do business, even before taking into account further measures, such as the Road Traffic Reduction Act and those in the Transport White Paper.

Ministerial speeches since 1997 have gone further, and have stressed the need for the “triple emphasis on economic growth, social development and environmental protection” (Lord Sewel to CBI Scotland, Glasgow 4 September 1998). As well as advocating the competitive benefits of sustainable development, the Minister argued “Social exclusion is a central issue for a sustainable society. We are seeing the emergence and persistence of relatively large groups in insecurity. They are alienated and excluded from the major economic, social and political institutions. This is not only a dreadful waste but a very real threat to a liberal, democratic pluralist society. **That is why the approach on social exclusion is as central to the idea of sustainable development as is Kyoto and emission reductions.**”

These themes have been adopted by the new Scottish Executive which took over responsibility for most domestic policy issues in July 1999. The Partnership Agreement for the First Scottish Parliament, which sets out the terms of the coalition government, include commitments to:

- › Work to promote environmentally and socially sustainable economic development; and to
- › Integrate the principles of environmentally and socially sustainable development into all government policies.

Initiatives are explicitly identified to deliver integrated transport policy and provide choice to meet transport needs; tackle energy efficiency; promote waste minimisation and renewable energy; and develop integrated social inclusion policies. This is in addition to commitments to invest in jobs and skills, foster enterprise, and encourage the growth of new businesses.

It is in this new context that the issues identified in the 1997-1999 SPD – locating development to minimise transport impact; energy efficiency; waste minimisation; the re-use of derelict and vacant land; and the social aspects of sustainable development – all have now to move centre stage. There they join the continuing and central commitments to the creation of jobs and provision of training and lifelong learning.

Policy of Partner Bodies

Changes of this magnitude require concerted action by Governments, their agencies, local authorities, and private and voluntary sector partners. Increasingly the building blocks for such change are in place. Scotland's two main environmental agencies, SNH and SEPA, have commitment to sustainable development written in to their founding legislation. Progressively, the Enterprise Network is taking sustainable development into account. Initially this was as ‘environmental sustainability’, but the Secretary of State's guidance letter of 1995 stated that sustainable development **“is as relevant to your enterprise and training activities as it is to your environmental ones.”**

SUSTAINABLE DEVELOPMENT

By 1998 the Network is instructed by the Secretary of State that:

“Sustainable development more generally is one of the Government’s key commitments. The enterprise networks have adopted its principles...

We now have to develop methodologies which will ensure these principles in your operations and programmes...

I look to the network to propose, during the course of the year, deliverable objectives both for your own operations and for the companies you support.”

The response by Scottish Enterprise is instructive. Their 1994 Network Strategy had a section on ‘Sustainability’, as one of 8 key ideas informing SE’s approach to economic development. But the topic was then seen as primarily environmental. The 1999 Network Strategy gives a more central locus to sustainable development, emphasising at the outset the need for long term action (“We are not in the business of quick-fix solutions”). This is supported by commitments to help businesses promote environmentally and socially sustainable activities; and to promote economic inclusion. Though the Strategy does not join these components together explicitly, the concept of sustainable development is now becoming more widely embedded in different aspects of the Network Strategy, which draws attention to good practice being pioneered by several Local Enterprise Companies.

The crucial role of Local Authorities was identified at the Earth Summit, and is reflected in the growth of activity under Local Agenda 21. Each revision of the National Planning Policy Guidelines, the planning system, which local authorities administer, is taking

sustainable development as the touchstone.

Community Planning may now offer a demonstration of the move towards joined-up governance and joined-up thinking – akin to the holistic ecological inter-relationships that are the essence of sustainability.

Other agencies, such as Midlothian Enterprise Trust, have pushed ahead with sustainable development, not because of any policy instruction, but because of the benefits to business development from the efficient use of resources and the market opportunities from environmentally sound products and environmental services. For businesses generally sustainable development offers both market opportunities and a way of planning to meet tighter standards of regulation.

[This Initiative](#)

This is the context within which The European Commission took the initiative to ask the Objective 2 Programme Areas of the Community to bring forward proposals to integrate sustainable development into regional economic development programmes. The Eastern Scotland Partnership responded with a project bid that was successful in the first round of applications. The Partnership has now developed the work to the stage where this Final Report can be published. As well as implementing change themselves, the Partnership is also engaged in exchanging experience with, and developing a network of, the other participating Programme Areas.

This process has received added impetus from the Guidance on the preparation of the next generation of SPDs issued by the Commission in February 1999 and adopted in June. This sets out the requirement to incorporate the ‘horizontal principles’ of

sustainable development and equal opportunities into all Structural Funds Programmes. The Eastern Scotland approach has anticipated this Guidance, and has sought to conjoin and mainstream (or embed) both of these principles. That Equal Opportunities has been included within Sustainable Development carries no implication of subordination, or that environmental concerns take precedence over efforts to secure equality. The Partnership has treated equal opportunities as a crucial component of social inclusion, and shares the Commission's view that **sustainable development is about working simultaneously, and in the long-term interest, towards economic growth, social cohesion and the protection of the environment.**

THE SUSTAINABLE DEVELOPMENT PROJECT

Overview of the Project

Evolution through 4 Stages

The sustainable development project has evolved through 4 inter-linked stages:

1. Testing and exploring the sustainable development guidance prepared for the Commission by ECOTEC Research & Consulting Ltd;
2. Developing and assessing a revised approach through a series of participatory workshops involving ESEP partners;
3. Further development work examining changes to output measures, finalising project selection criteria, and prioritising associated guidance; and
4. A Partnership Conference at which the Consultative Report was presented, following which Draft Guidance has been developed on the project selection criteria.

Together, these have led to publication of this Final Report to the Partnership, for consideration and approval by the SPD Monitoring Committee and submission to the European Commission.

The First Stage

Testing the ECOTEC Guidance

The project did not start with a blank sheet. The first step was based on two reports to the Commission by ECOTEC: "Encouraging Sustainable Development through Objective 2 Programmes: Guidance for Programme Managers" and "Sustainable Development and Employment: A Challenge for Objective 2 Regions." These provided a basis for examining the current Eastern Scotland Programme using 16 areas of action for sustainability.

This examination, conducted by the Steering Group and Programme Executive, showed that the Programme was performing broadly in line with that reported for 10 other Objective 2 Programmes.

What ECOTEC described as 'business as usual' considerations such as infrastructure provision and environmental enhancement are commonly present, but aspects dealing with minimisation of resource use and pollution are less frequently encountered. More radical measures such as support for green innovation, renewable energy, environmentally responsible transport or spatial planning to reduce resource use, are advocated by ECOTEC as laying the basis for sustainable development. These are generally not present in current practice, although for most of them there is at least some potential scope in the current SPD.

The ECOTEC approach was a useful starting point. However, the Steering Group found that the original 16 'areas of action' were too many and overlapping. For example, brownfield and serviced site development, and access to transport and other infrastructure often occur in conjunction. At the same time the Group wished to incorporate social and core economic considerations as well as the environmental focus of the 16, and to bring these facets together into a clear, simple structure of criteria which are defined, discrete and articulated.

The Second Stage

Devising a Revised Approach

A revised approach was devised through a series of participatory workshops:

- › The initial evaluation by the Steering Group & Programme Executive (North Queensferry, 23 January 1998);
- › Testing the new methodology by two Advisory Group workshops (Stirling Highland, 26 February 1998 & Forthbank Stadium, 4 March 1998);
- › A report back and consensus building workshop for Advisory Groups (Stirling Council Chamber, 23 March 1998); and

Building in Sustainable Development

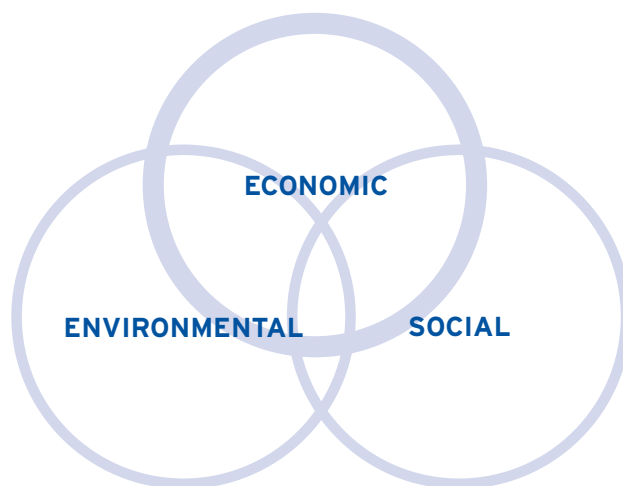
- › Presentations and workshops with the Partnership as a whole, assessing how to incorporate sustainable development into a range of projects (Dunfermline Conference Centre, 15 June 1998).

These workshops presented to, and developed with, participants the implications of sustainable development and how it might be further incorporated into the Programme. Those taking part mapped existing Measures against the original ECOTEC 16 areas of action, against core economic and social criteria, and on diagrams reflecting the overlap of economic, environmental and social aspects. Participants assessed the potential of sustainable development to enhance the Programme, exchanged views of the disadvantages to avoid, and discussed the relationship to projects and the practical steps needed to make progress.

Development tools

In this developmental process, two tools warrant highlighting. The first was a three circle diagram (Figure 2). The circles represent economic, environmental and social aspects of development, converging or overlapping on a core representing sustainable development. This proved to be a powerful and accessible device for mapping current activities and aspirations for the future. The second tool was the evolving set of criteria for assessing measures and projects. The original ECOTEC 16 areas of action, were first distilled to 4 environmental criteria, and then conjoined with 5 core economic criteria, and 5 reflecting social aspects (which became known as the 5/4/5 criteria). With progressive refinement through the workshops, summarised in Figure 4, these criteria came to provide a clear overview of the aspects which the Steering Group would expect to see in a Programme based on a sustainable development approach.

Figure 2: Facets of Sustainable Development



Building in Sustainable Development

Two aspects of this second stage also merit emphasis. The workshop process vindicated the commitment to participation espoused in the original proposal. Even where the workshops sought to advocate an approach, the outcome was a process of mutual learning. The Programme is the partners' Programme, and stakeholding by the partners in the direction and management of change is essential. Second, as the project progressed, it became clear that to bring about change to the SPD was not a matter of holding a 'sustainability checklist' against the Programme or its projects. It was much more a question of how to embed sustainable development considerations within its core components of objectives, scope, selection criteria, and output indicators.

THE SUSTAINABLE DEVELOPMENT PROJECT

Potential Advantages

From the workshops, clear views emerged of the potential benefits and opportunities of incorporating sustainable development more fully into the SPD:

- › More integrated programme and projects;
- › More effective use of resources;
- › Comparative advantage for the Programme Area;
- › More sustainable outputs (e.g. jobs that should last longer); and
- › Raising awareness and a learning process.

Disadvantages to Avoid

Partnership members were equally clear on the downside risks: the disadvantages to be avoided:

- › Inadequate commitment to, and stakeholding in, sustainable development;
- › Losing economic development as the main focus;
- › Inflexibility or overcomplication; and insensitive use of selection criteria;
- › Failure to develop from existing framework; and
- › Lack of support for applicants.

What sustainable development is, and is not

The workshops also highlighted the need to lay to rest some misconceptions about the approach to sustainable development being advanced in this project. Foremost, it is not designed to subvert or dilute economic development funds into environmental projects with no economic or social benefits. Nor do you balance negative social or environmental impacts with a few sustainable projects. It is not primarily a rural issue either; the biggest environmental impacts and most intractable deprivation are inevitably where people and industries are most concentrated. **The SPD is and remains an economic development programme focussing on the delivery of jobs and training. But neither is sustainable development a bolt-on – it means incorporating**

environmental and social considerations into the core of an economic development programme.

Sustainable Development is complex

Sustainable development is not easy: the subject is complex. The boundaries of analysis shift from:

- › Short term to long term;
- › On site and local impacts to off site, regional and global;
- › Sectoral interest to multiple stakeholders; and
- › The more easily measurable to the difficult to measure.

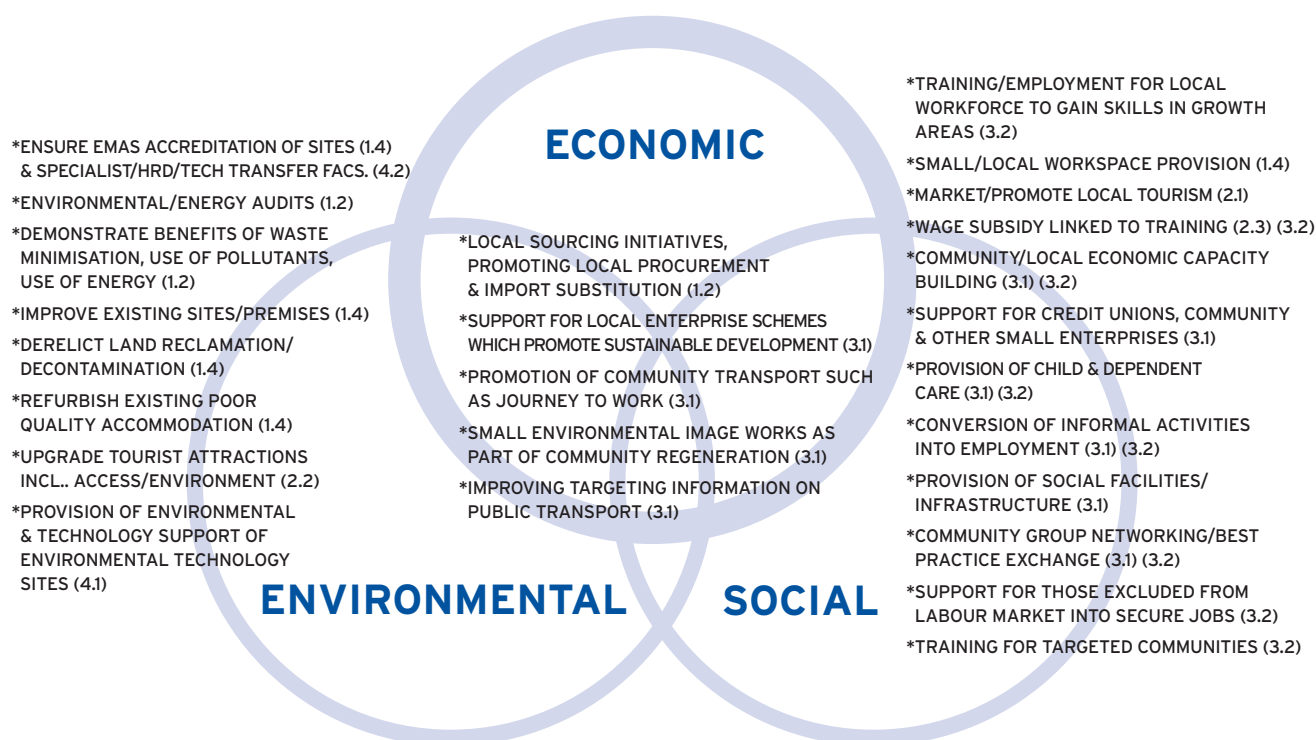
The toolkit for dealing with the complexity this creates, and the skills and capacities, are at very early stages of development. The concept itself is evolving. Even the language in which it is described (the term itself, 'Agenda 21', and much of the academic literature) ranges from the over-zealous to the use of jargon and platitudes. Despite the stated commitments to sustainable development, there are still very different interpretations, expectations and degrees of commitment between different departments and individuals at all levels of government. Nor is sustainable development cost-free. Even if the aim is that the approach is beneficial in the longer term, it requires that costs are redistributed and transferred, especially to those who deplete resources or generate pollution or risk (the polluter pays, and precautionary principles). This raises political issues. It also requires extra effort and expertise on the part of those developing projects, and guidance to assist them. Special care has to be taken to ensure that measures designed to secure sustainable development do not impact most on those least able to cope or afford to respond. If sustainable development is to take root, what it delivers has to be demonstrably better. All this stresses the need for adopting a step-by-step learning process, based on practical stages.

Developing from the Existing Framework

The workshops analysed the extent to which sustainable development could already be found within the current SPD. Figure 3 is a composite diagram, showing all those aspects of the scope of the measures in the SPD, i.e. the types of activity which may be funded, that already combine consideration of economic, environmental and social aspects, albeit to varying degrees. What this figure shows is unexpected. In measure after measure, many of the features which ought to be within a Programme based on sustainable development are already there.

Clearly, sustainable development can build on and develop much that is in the current Single Programming Document. Yet the evidence of this project is that, as with other Objective 2 Programmes elsewhere in Europe, that potential is not yet being delivered routinely in practice and, in some aspects, is not being delivered at all. For example, no proposals have come forward for projects on improving information on public transport. Even projects that are attempting to address sustainable development tend to focus on either the environmental or the social inclusion aspects, rarely both.

Figure 3: Extent of Sustainable Development within Scope of current SPD



THE SUSTAINABLE DEVELOPMENT PROJECT

Realising the Potential

Barriers to Change

What then are the main barriers? Assessment of the workshops and the experience of the Programme Executive led the Steering Group to identify three main blockages:

- › Sustainable development has been presented as exclusively environmental, and has therefore not been seen as to do with business (nor with social inclusion);
- › Sustainable development has been seen as optional: there have not been enough signs or conditions, and there has been an assumption that all that is needed is to do the minimum necessary for compliance; and
- › Overall, the Programme's commitment to sustainable development has not been sufficiently focussed or robust.

Realising the Potential

This assessment led the Steering Group to conclude that the time for talking around the topic should end. **The need now is to make the requirements clear, progressive, but insistent.** Also, sustainable development should not be a separate specialist topic, or one theme amongst others, but should be embedded as a high order horizontal theme operating right across the full scope of the Programme's activities. That means incorporating sustainable development not just into the mainstream of the Objectives and Scope of the Programme - where it already has substantial expression - but tracked through into Selection Criteria and Output Measures. It should also be conveyed to the Partnership and project applicants through dissemination and guidance.

Figure 1, which shows the components of the SPD diagrammatically, tries to convey two messages:

- › Incorporating sustainable development into the Programme does not change everything. The basic relationship between, and much of the content of, the current Objectives, Scope, Selection Criteria and Outputs will remain.
- › At the same time, there will be a shift, and one which affects all aspects of the Programme as it is adjusted to reflect better the integration of social, environmental and economic aspects.

The Third Stage

The third stage of the project comprised: submitting an interim report to the Commission (available from the Programme Executive); taking the opportunity of the Baseline Review to adjust output indicators; and integrating the emerging core criteria for project selection into 12 sustainable development criteria.

Review of Indicators

During this project, separate work was underway for the Partnership reviewing Indicators and Output measures. This work was set out in the Baseline Report which was considered by the SPD Monitoring Committee in June 1998. This provided an opportunity for the project on sustainable development to make an input to changes to the Indicators in the current SPD.

Analysis of the Objectives, Scope and Selection Criteria in the current SPD identified where issues of importance for sustainable development in the existing Programme had not been fully tracked through to Output Indicators. Well chosen indicators can be crucial drivers in making progress towards objectives. Those indicators recommended to the SPD Monitoring Committee for adoption now were all selected because they reflected the objectives and scope sought by the existing Programme.

The topics identified were:

- › Support for business start ups should include support for the unemployed to engage in entrepreneurial activities;
- › There should be explicit encouragement for developments to re-use land and buildings, and to improve existing facilities;
- › Weight should be attached to provision of child and dependent care places, and to public transport information initiatives, as representative of the types of activity which can be crucial in ensuring access to opportunities;

- › Improving the performance in getting residents from disadvantaged areas back into the labour market should be encouraged through work-place experience based training places; and
- › There should be more encouragement for environmental technology projects.

Inclusion in Baseline Report

Therefore, the following Indicators were proposed and accepted for inclusion in the Baseline and Performance Indicators Report for adoption into the 1997-9 SPD:

Table 1: Sustainable Development Indicators

Sustainable Development Topic	Monitoring Proposals
Number of unemployed starting businesses	Formal indicator in Measures 1.1 (SMEs) and 3.1 (LBI) with activity targets of 10% and 25% respectively for participation by this group.
Number and proportion of developments re-using or improving land or buildings	Target of 60% of land prepared for development to be brownfield in Measures 1.4 (SMEs), 3.1 (LBI) and 4.2 (T&I). Targets for new and refurbished floorspace in Measures 1.4, 3.1 and 4.2. Target for new and existing tourism attractions to be supported in Measure 2.2 (Tourism). Target of 100 ha environmental improvements in Measure 3.1.
Number of child/dependent care places	Formal Indicator under Measure 3.1 (LBI) with outcome target of 800.
Number of public transport information initiatives	Inclusion within activity indicator in Measure 3.1 for number of community transport and transport information initiatives.
Number of work experience based training schemes	Activity indicator of the number of jobless trained through work experience based training/wage subsidy schemes.
Number of environmental technology projects supported	Target for 10% of technology initiatives supported under Measure 4.1 (T&I) to be concerned with environmental technology.

Source: adapted from Table 4.26: Sustainable Development in Eastern Scotland Objective 2 Programme 1997-99 Programme Baseline and Performance Indicators: Final Report, EKOS Limited, October 1998, pp47.

SUSTAINABLE DEVELOPMENT CORE CRITERIA

Evolution of the Core Criteria

The next task tackled was to re-assess the emerging core criteria for project selection. Experience of the workshops had shown that while overall the '5/4/5' criteria had worked well and been well received by participants, more clarification was needed, particularly of the social criteria. There was also a paradox that the separation of sustainable development into its economic, environmental and social dimensions could jeopardise the more integrated or holistic approach to development that is sought. The Steering Group carried out further development work, which included taking heed of advice from the workshops to build from the existing framework.

As a result, 12 sustainable development core criteria are being proposed. Figure 4 sets out a summary of how these evolved, and their relationship to the core criteria in the current SPD.

The 12 Core Criteria for Project Selection are:

1. Net Additional Jobs

An assessment of the extent to which the project will create net additional jobs including net additional jobs safeguarded.

2. Evidence of Demand

An assessment of the quality, validity and robustness of market research and/or evidence of market failure provided as justification for intervention.

3. Leverage

An assessment of the extent to which grant aid is essential for the implementation of the project and to which project financing involves funds levered from sources other than the Structural Funds. Particular priority will be given to private sector contributions.

4. Infrastructure Impact

An assessment of the extent to which the project will impact positively on the region's infrastructure, for example by:

- › Making use of serviced and/or brownfield sites;
- › Re-use of existing buildings;
- › Being in or adjacent to settlements and/or public transport;
- › Making use of, or developing, existing services.

5. Resource Efficiency

An assessment of the extent to which the project positively addresses one or more of the following:

- › The efficient procurement, and use of: water; energy; raw materials and other inputs;
- › The minimisation and management of waste;
- › The production of 'green' products and services; the development of cleaner technologies/processes; recycling and re-use activities; environmental monitoring and pollution abatement.

6. Environmental Impact

An assessment of the extent to which the project contributes to the enhancement or protection of the environment, or seeks to minimise the negative impacts, whether as an infrastructure development or a revenue activity.

7. Access and Opportunity

An assessment of the extent to which the project actively promotes the full and equal participation of individuals and social groups in the local economy. This may be achieved for example by:

- › Ensuring that there are no physical constraints (e.g. lack of transport) preventing individuals accessing employment and personal development opportunities.
- › Creating the right conditions in the labour market through active labour market policies.
- › Positively tackling the more subtle forms of discrimination and exclusion.
- › Providing a supportive learning and working environment including adequate provision and/or assistance for child/dependent care.

8. Local Added Value

An assessment of the extent to which the project has the ability to generate local added value through for example:

- › Productive linkages between local employers and training providers or SMEs and centres of R&D.
- › Support for local sourcing initiatives and/or activities aimed at diversification within the local economy.
- › Assistance for activities which promote local support e.g. extending the Tourism season.
- › The active support and participation of the local community in project design and implementation.

9. Capacity Building

An assessment of the extent to which the project addresses identified deficiencies in the local economic and social infrastructure, local organisational competencies or skills and competencies of the workforce, and which act as a constraint on growth and development.

10. Social Inclusion

An assessment of the extent to which the project is directed at integrating disadvantaged communities into mainstream activities. In particular, projects which enhance access by these communities to opportunities and benefits available elsewhere in the Programme Area will be given priority.

11. Strategic Integration

An assessment of the extent to which the project can demonstrate direct linkages and coherence with other related activities and strategies - local, national and European - including Development Plans.

12. Durability and Feasibility

An assessment of the extent to which the project can demonstrate the ability to become self-sustaining over time. This is coupled with an assessment of the feasibility and risks of the project; its design and forecast targets and the capacity and track record of the delivery agent(s) to implement and sustain the project.

SUSTAINABLE DEVELOPMENT CORE CRITERIA

Figure 4: Evolution of SPD Core Criteria for Project Selection

Current SPD Core Criteria	ECOTEC 16	5-4-5	Sustainable Development Core Criteria
4. Outcomes - Job Creation		C1 Net Additional Jobs	1. Net Additional Jobs
2. Evidence of Demand		C2 Demand	2. Evidence of Demand
1. Additionality		C3 Leverage	3. Leverage
3. Leverage			
6 Environmental Sustainability	2. Adequate Infrastructure 7. Brownfield Site Development 8. Serviced Site Development 11. Sectors with low Environmental Impact 12. Environmentally Responsible Transport 13. IT Applications 15. Spatial Planning	E1 External Resource Impact	4. Infrastructure Impact
	3. Environmental Adjustment for SMEs 4. Eco-Industries 5. Clean/cleaner Technology 6. Conservation, Re-use and Recycling 9. 'Green' Products, Processes and Services 10. Production and Use of Renewables 11. Sectors with low Environmental Impact 13. IT Applications 14. Awareness of Sustainability 16. Industrial Ecology	E2 Internal Resource Efficiency	5. Resource Efficiency
		E3 Eco-Industry	
	1. Enhancing Environmental Quality 14. Awareness of Sustainability	E4 Enhanced Environment	6. Environmental Impact
8. Equal Opportunities		S1 Access	7. Access and Opportunity
		S4 Local Added Value	8. Local Added Value
		S5 Community Participation	
		S2 Skills Development	9. Capacity Building
		S3 Integration	10. Social Inclusion
9. Strategic Integration		C4 Strategic Integration	11. Strategic Integration
5. Outcomes - other		C5 Durability	12. Durability and Feasibility

DRAFT GUIDANCE ON THE CORE CRITERIA PART 2

Introduction

What is this Draft Guidance about?

The Consultative Report on the Sustainable Development Project set out new core criteria for project design and selection in the future East of Scotland Programme. The Report also proposed that work be undertaken to prepare Guidance Notes on these new core criteria, and the outcome of this further work, undertaken under the direction of the Project Steering Group, is set out here. This should assist those completing the application form for financial assistance; and also indicate emerging good practice in sustainable development. The SPD Monitoring Committee, on behalf of the Partnership, has now endorsed that Report.

The scope of projects eligible for support under the East of Scotland Programme is, and will continue to be, set out in the Single Programming Document (SPD). This draft Guidance Note aims to explain what kind of projects the new East of Scotland European Partnership wish to support, by:

- › Explaining what the new core criteria mean;
- › Introducing the issues which applicants for project support should consider, and include on their application forms; and
- › Outlining potential sources of advice and emerging good practice.

The Sustainable Development Project aims to incorporate sustainable development more fully into the new Programme. The core criteria indicate the characteristics sought in applications made for project assistance. They will become the main means by which priority for financial assistance will be decided. The criteria are intended to influence all stages of projects. This includes initial identification and design; through to the application process; and, if successful, implementation and eventual outcomes; and then measurement and evaluation.

Who is the Guidance Note addressed to?

This Guidance is primarily intended for four groups of people:

- › **Project Applicants**
Since the new core criteria will be the yardsticks by which project applications will be assessed under the 2000-2006 Programme, clearly this Guidance should be an essential reference source during the project design and application process.
- › **Advisory Group Members**
Project Selection is undertaken by specialist Advisory Groups with expertise in the different Priority topics set out in the SPD, e.g. Technology & Innovation. Members of these Groups need a reference source so that there is a common understanding of the criteria being applied.
- › **The 2000-2006 Programme Plan Team**
The Sustainable Development Project and this Guidance are intended to influence the shape of the next Programme. The Plan Team are already working on this, taking into account the emphasis in the Commission's draft guidance on sustainable development as a priority horizontal theme.
- › **Programme Executive and Managers**
The Programme Executive are responsible for all aspects of administration and management of the Programme, including dealing directly with applicants, and advising the Advisory Groups and the Plan Team. They too need a reference document.

DRAFT GUIDANCE ON THE CORE CRITERIA

Why change the existing criteria?

There are two straightforward answers to this question:

- › The Commission's own guidance, published in February 1999, is explicit that sustainable development together with equal opportunities are to be the main cross-cutting themes in the next round of Structural Funds Programmes (as described in the earlier section on EC policy);
- › The Partnership's assessment is that closer alignment of economic, social and environmental aspects of projects will add value and build on an established track record. It has been established through this Project that the current criteria and procedures are no longer adequate to provide the stimulus and rigour that is necessary to satisfy Commission requirements for future Programmes. It aims to result in a better Programme from all three perspectives, in terms of the overall and lasting benefits to the people and communities in East of Scotland.

The Partnership therefore wishes to bring sustainable development into the heart of future Programmes. The Consultative Report on the Sustainable Development Project set out the policy context, and how the Partnership arrived at the new criteria through an extensive process of consultation and participation. An updated version of that Consultative Report forms Part 1 of this Final Report.

When does this Guidance come into effect?

The 1997-1999 SPD is being drawn to a close, and therefore this draft Guidance is intended to foreshadow Guidance which will accompany the next SPD and form part of Guidance for applicants and in the completion of application forms. It has not yet been formally adopted by the Partnership.

There are three purposes in issuing the Guidance now:

- › To indicate the Partnership's emerging preferences on the characteristics they wish to see in projects (which also reflect the EC Guidance). These may therefore influence remaining decisions on funding, though the core and measure specific criteria in the 1997-1999 SPD remain in place and, together with existing formal guidance, take precedence over this document for the remainder of the 1997-1999 Programme.
- › To enable those responsible for planning projects to plan ahead; and to give them notice of the modifications to the characteristics of projects which the Partnership will support, and of the kinds of innovation sought within the Programme. The Guidance will therefore also help to inform Programme development in the period 2000 - 2006.
- › To stimulate feedback: this guidance and the associated core criteria propose changes in a complex area. **Prior to the formal adoption of this Guidance, any input by the Partnership designed to improve what is proposed will continue to be welcomed.**

How is this expected to change the Programme?

The Guidance sets out to:

- › Change the behaviour of applicants and those selecting projects for support;
- › Encourage the adoption of good practice; and
- › Integrate the environmental and social aims of the Programme into economic development projects.

Core Criteria and Project Selection

As stated in the Executive Summary, sustainable development is about making common sense connections that are not yet commonplace. These connections include, for example:

- › Enabling organisations to implement cost-effective energy efficiency measures;
- › Helping them improve the bottom line by waste minimisation or marketing 'waste' products;
- › Promoting projects that give easier access to reliable, efficient public transport as an alternative to the car;
- › Supporting education and training provision that meets the needs and aspirations of both trainees and employers; and
- › Ensuring that child and dependent care provision remove barriers to training and job opportunities.

Addressing these aspects, and integrating them in projects, is not easy. To those concerned with supporting business start-ups or expansion, or training provision, they may appear to add burdens to an already sufficiently difficult business or educational context. However, the purpose of Structural Funds support is to bring about change in line with EU policy objectives; they are public funds; and they are designed to overcome deficiencies and imperfections in the market. It is important too to note that the Programme seeks to part fund those aspects of development sought by the new core criteria. All this is in addition to the arguments set out in the Consultative Report: **that sustainable development is emerging best practice; it can give competitive advantage; and it can mobilise underused resources.**

How will the core criteria be handled in the project selection process?

The Eastern Scotland European Partnership operates a sophisticated, qualitative assessment system, which provides a robust and proven means for determining both eligibility and, importantly, priority for assistance. The project appraisal system operates on 2 levels:

- › A transparent framework of core and measure specific selection criteria applied consistently to all projects; and
- › Considered assessment by a panel of experts (Advisory Groups) of all project documentation including the prior appraisal against the core and measure specific selection criteria.

In this way the project assessment does not become overly mechanistic but provides for a more balanced approach tempered by a degree of discretion. Selection criteria are therefore crucial for selecting projects and make an important contribution to the overall assessment.

Using the current assessment framework as a consistent basis of reference, the Advisory Groups must also take into account the broader policy objectives of the development priority and measure, and indeed the extent to which the project represents:

- › Need and/or opportunity;
- › Innovation and experimentation;
- › Achievable forecast economic impacts; and
- › Integration and synergy between related activities and with other funds and strategies.

DRAFT GUIDANCE ON THE CORE CRITERIA

The Core Criteria Described

These aspects have all been fully incorporated and further elaborated in the new core criteria. For the future, the advent of the new sustainable development core criteria represents a step change in the current appraisal process. Sustainable development, as the founding principle of the new SPD, will be embedded in the design and application of the core criteria. Accordingly, and by definition, each and every funding proposal will be assessed against all 12 criteria. However, acknowledging the diversity of projects both in nature and scale, not every project may be able to score highly against all of the criteria. That said, all project applicants should be in a position to respond positively to all of the core criteria. A cursory or dismissive response, particularly where there is the potential to address the requirements of the criterion, will weaken the project proposal. If we are committed to taking forward the full and effective integration of sustainable development into economic development programmes, the approach has to be applied and embedded from the policy objectives to the operational processes and practices which ultimately determine the range and nature of interventions.

Where the response identifies the risk of a negative impact, e.g. in relation to the environment or existing infrastructure, this will reduce the scoring against these criteria. However, the current appraisal system as previously described is sufficiently sensitive and flexible that an overall and balanced judgement can be brought to bear. For example, negative environmental impacts may be mitigated by a combination of off-setting environmental benefits, significant economic benefits and a strong social inclusion component. In any event, there should be evidence of efforts to minimise negative impacts wherever possible.

Overall, however, the aim of the next Programme is a balanced suite of projects, and the project selection process will exercise discretion to ensure that:

- › A range of projects, reflecting the overall scope of the Single Programming Document, is supported; and that
- › Innovation and experimentation are encouraged.

It should not be presumed that further projects of a type previously supported, but now well represented in the current Programme, will be preferred over other projects the inclusion of which would broaden the range of activity being supported. The guidance is intended to encourage the modification of projects which might previously have secured approval based primarily on economic benefits alone, so that they also achieve social and environmental benefits.

Fundamentally, the primary focus of past and future Structural Funds Programmes is economic development, through the primary objectives of employment creation and improved competitiveness. The sustainable development approach provides an opportunity to add value to this by securing the benefits of protecting and enhancing the environment, and the need to ensure that all groups and individuals have the opportunity to participate in, and benefit from, the regeneration effort.

1. Net Additional Jobs

An assessment of the extent to which the project will create net additional jobs including net additional jobs safeguarded.

The main aim of a sustainable economic development programme is to promote economic wellbeing and to create jobs. This includes support

for enterprises, especially SMEs, whether new starts, or existing organisations; and for people, providing training and advice.

Project proposals will be expected to answer the following questions:

- › How many, and what types, of jobs will be directly created by the project?
- › How many, and what types, of jobs will be safeguarded by the project? What would happen to these jobs if the project does not take place?
- › Is it expected that the project may create additional jobs as a multiplier effect? How many such jobs may be expected, and is there a reasoned and justified case for the multiplier used? Are some of jobs temporary (e.g. in construction)?
- › What displacement of existing jobs may be caused by the project? Does this displacement include a similar multiplier to that used for the jobs to be created?
In the case of training projects:
 - › Can the project show how the training provided will bring people more effectively into the labour market, and meet established labour market needs?
 - › How many jobs will be created in training provision, either directly or in support services?

Projects which do not create, or support the creation of, jobs, or which can be shown to result in a net reduction in employment will not normally be supported.

The report on *Eastern Scotland Objective 2 Programme 1997-99 Programme Baseline and Performance Indicators: Final Report*, EKOS Limited, October 1998 sets out how net additional jobs are measured in Eastern Scotland

2. Evidence of Demand

An assessment of the quality, validity and robustness of market research and/or evidence of market failure provided as justification for intervention.

Project proposals must include specific evidence of demand for the project and explain the market failure which the project is designed to overcome. Indicators of demand may come from an existing track record of sales, throughput or successful delivery, whether in the same enterprise, or related activity elsewhere. Conventional market research may be supplemented by new techniques such as scenario planning or other foresight methods. Support for the business case may be found in strategic or policy frameworks, including identified growth sectors or clusters, or more specific impact and feasibility studies. This can include governmental or independent research showing the need for service provision, partly to create the market demand. Applications should be careful not to over-state benefits, especially of visitor numbers and expenditure multipliers.

The justification for project support may include adjusting to market deficiencies such as lagging responses to economic instruments, supply chain pressures, information deficiencies, and regulatory changes, any of which may indicate demand, now or forthcoming.

DRAFT GUIDANCE ON THE CORE CRITERIA

Project applications will be expected to show:

- › What is the evidence of demand for the project? Is there market research and/or other independent research to support this evidence?
- › If the project is for a new product or service, or extension of a product or service into new markets, what techniques have been used to justify that there will be a demand for it?
- › Whether wider strategic plans for the area support the case for the projected demand?
- › What is the nature of the market failure which the project is designed to overcome, and how will it be overcome?

3. Leverage

An assessment of the extent to which grant aid is essential for the implementation of the project and to which project financing involves funds levered from sources other than the Structural Funds. Particular priority will be given to private sector contributions.

In assembling project funding, the ideal proposal requires a small, but essential, contribution from Structural Funds. In other words, address market failure, but contain and manage the risks. Proposals must demonstrate that grant aid is essential for project implementation, and show what additional impact would be enabled by Structural Funds assistance. Contributions in funding and in kind from the project delivery agency may be taken into account, but care should be taken that these do not jeopardise cash flow or financial robustness.

At the same time, projects must also show that funds have been committed or levered from other sources. The sources and scale of funding can be informative: support from other economic development agencies may corroborate assessment of demand. Weight is attached to private sector contributions which may give an additional signal of market viability or potential. Funding from a variety of sources, in particular leverage achieved from sources which are primarily environmental or social, is more likely with multi-faceted projects in line with sustainable development principles. Similarly a mix of private and public funding may enable commercial elements to cross-fund community and environmental elements, and may assist in ensuring that the added value will be retained within the project once it has been created. It can also serve to spread the burden of risk. Project proposals must demonstrate why the project cannot proceed without Structural Funds assistance, and that funds have been committed or levered from other sources.

- › What funding sources have been approached, and with what outcome?
- › What conditions apply to funding commitments received?
- › What funding is from the private sector?
- › What contribution, whether of funds or in kind, is from the project delivery agency, and how does this affect the financial strength of that organisation?

LANDFILL TAX CREDITS

Combining environmental, social and economic objectives can often provide opportunities to secure matching funds from environmental and social programmes as well as economic development programmes. A good example is the funding of Midlothian Enterprise Trust's Waste Minimisation and Environmental Management Initiative. This has secured over £300,000 funding through the Landfill Tax Credit Scheme from Shanks, The Hanson Environment Fund and local authorities such as Midlothian Council. This funding, combined with additional funding from LEEL, East Lothian, Edinburgh, Midlothian and West Lothian Councils, The Committee of Scottish Clearing Bankers, DTI, Shell, East of Scotland Water and the East of Scotland Waste Minimisation project, means that the European Regional Development Fund contribution represents just 25% of the total project funding. All of these resources are used to help small companies improve their competitiveness through improved environmental management.

4. Infrastructure Impact

An assessment of the extent to which the project will impact positively on the region's infrastructure for example by:

- › Making use of serviced and/or brownfield sites;
- › Re-use of existing buildings;
- › Being in or adjacent to settlements and/or public transport;
- › Making use of, or developing, existing services.

By making use of existing infrastructure and minimising impact both on and off-site, sustainable development activity can reduce costs imposed on others. It may also reduce the costs of the development, though there can be additional costs for site treatment and adaptation to site constraints including avoiding impositions on neighbours.

The costs which developments may impose on public agencies or other users must be fully considered. Well sited proposals, and the re-use of land and buildings in or adjoining settlements, can complement, rather than detract from, existing development by increasing the potential for inter-change between organisations, and demand for public transport and other facilities. Existing facilities can reduce their infrastructure load through management of transport demand.

DRAFT GUIDANCE ON THE CORE CRITERIA

Project proposals should indicate how their infrastructure impact has been minimised:

- › Are the site and development located and designed to make use of existing services and buildings? What is the justification for any new build or use of a greenfield site? Does the proposal comply with the sequential test set out in NPPGs?
- › Can the development's requirements be met by existing infrastructure, or is upgrading or extension necessary? This should include assessment of transport facilities, water supply, fuel and power supplies, waste generation and management, and sewerage. What costs will the development impose on public agencies or other users?
- › Has the development been sited to reduce the demand for transport and to enable the use of alternative modes of travel? What are the transport demands generated by the development? Is there a green commuter or transport plan which shows how the transport needs of all those who use the development can be met without increasing dependency on private car use?

Any potential for the development adding to the viability of existing services, including enhancing public transport provision, should be noted; similarly, will the infrastructure required for the project provide benefits to other businesses or communities? Adverse effects on existing services should also be reported.

5. Resource Efficiency

An assessment of the extent to which the project positively addresses one or more of the following:

- › The efficient procurement, and use of: water; energy; raw materials and other inputs;
- › The minimisation and management of waste;
- › The production of 'green' products and services; the development of cleaner technologies/processes; recycling and re-use activities; environmental monitoring and pollution abatement.

Enterprises continue to under-appreciate the potential to make cost effective improvements in the reduction, and then efficient use, of basic resources. Structural Funds have a role in helping to remove these inefficiencies, not to subsidise them. Reductions in core and operating costs, with direct impact on the bottom line, may be worth far more than equivalent increases in turnover.

A number of factors are driving organisations towards the production of goods and services which are resource efficient in themselves, and produced by more efficient methods. These include economic instruments, such as landfill and energy taxes; regulations, e.g. the Packaging Directive; supply chain pressures and consumer demands. In turn these factors are helping to spawn businesses in recycling and re-use, pollution abatement, and environmental controls and monitoring. There is further potential in 'waste' – products for which markets have yet to be identified.

Project proposals should address:

- › In what ways will the design and construction of the project seek to reduce and make more efficient the use (and re-use) of construction materials and of energy?
- › How will the development ensure the efficient use of energy, water and other raw materials when the project is in use? Appropriate use should be made of life-cycle analysis.
- › In what ways will the products and/or services to be provided by the project reduce resource use?
- › How will resource use be managed and monitored; and how will resource efficiency be maintained?
- › What mechanisms will ensure that all users are aware of resource aspects of the project, and enable them to play their part in waste minimisation?
- › How the project will be consistent with the aims of the waste management hierarchy.

WASTE MINIMISATION & ENVIRONMENTAL MANAGEMENT IN SMEs

The Waste Minimisation & Environmental Management Initiative is operated by Midlothian Enterprise Trust on behalf of the Business Environmental Partnership, with ERDF support from the Eastern Scotland Programme. By June 1999, 173 businesses had been advised, and over £550,000 cost savings opportunities identified through improvements in process efficiencies, waste minimisation, water management and energy efficiency. Further, over £175,000 potential new sales opportunities have been identified through the development of products and services with associated environmental benefits. Practical examples include:

- › A wood recycling company has increased activity from less than 5 tonnes per week to 100 tonnes per week, and recruited employees to cope;
- › An electronics company has developed a remote water level indicator, and has received orders worth £38,000 for the system, creating one job and safeguarding others;
- › A placement with a food manufacturer has helped identify an opportunity to reduce water use by £14,000 per year.

Established environmental management programmes are run by Green Business Fife and by Scottish Enterprise Tayside's Business and Environment Programme. Active programmes of seminars, workshops and networking - to raise awareness and enable exchange of experience - are complemented by direct provision of advice and support to companies in achieving resource efficiency improvements. Attention is also given to promoting new business, market and technological opportunities. Scottish Enterprise Tayside is part of an initiative to work with 25 Scottish companies to see how sustainable development can be applied to their operations and planning.

DRAFT GUIDANCE ON THE CORE CRITERIA

6. Environmental Impact

An assessment of the extent to which the project contributes to the enhancement or protection of the environment, or seeks to minimise the negative impacts, whether as an infrastructure development or a revenue activity.

Projects, of necessity, must comply with environmental law, secure necessary planning permissions and other consents aiming to ensure that there is no demonstrable harm to interests of acknowledged importance (including designated sites and buildings). Where an environmental assessment forms part of this consent process, it should be submitted with the application for Structural Funding assistance. Project selection will also have regard for measures proposed in the application to reduce, off-set, or compensate for, any environmental damage arising from the proposal.

However, environmental impact is not only about seeking to minimise and to remedy environmental damage. Many projects also provide opportunities for environmental enhancement, ranging from landscape improvements to habitat creation, environmental interpretation, awareness raising and education. Environmental resources, like human resources, are invaluable assets which can be conserved and enhanced by intelligent and sensitive development, which in turn can enhance business, job and training opportunities.

Project proposals should identify, in an assessment of the environmental impact of the project the following:

- › Will the project have an impact on the external environment? Are these impacts positive or negative? What steps are proposed to mitigate or off-set any negative impacts, including measures for reducing and managing risk?
- › If the project involves construction, what steps will be taken to ensure that adverse environmental impact is minimised?
- › Does the project provide opportunity for environmental improvement, or for the delivery of environmental goods and services? How will it contribute towards raising environmental awareness, and encouraging a positive value of - and attitude towards - the environment?
- › Does any environmental management or improvement give rise to further opportunities for employment or training? Does it provide any other economic or social benefits?
- › How will the environmental performance of the project be managed, monitored and maintained?

7. Access and Opportunity

An assessment of the extent to which the project actively promotes the full and equal participation of individuals and social groups in the local economy. This may be achieved for example by:

- › Ensuring that there are no physical constraints (e.g. lack of transport) preventing individuals accessing employment and personal development opportunities.

-
- › Creating the right conditions in the labour market through active labour market policies.
 - › Positively tackling the more subtle forms of discrimination and exclusion.
 - › Providing a supportive learning and working environment including adequate provision and/or assistance for child/dependent care.

One of the most significant under-used resources is people. The Programme is based on Equal Opportunities, and will require that projects, as a minimum, do not give rise to barriers because of sex, race, age, or disability. Positive measures to enhance access and opportunities to enable people to fulfil their potential will be encouraged. These include:

- › Physical access, ranging from provision of ramps and improved doorways, through to arrangements for, or information about, public transport provision;
- › Care for dependents, and integration of such care with other support services;
- › Training to raise awareness of barriers, and redress the lost opportunities arising from them. This includes bridging gaps or perceived gaps between labour market requirements and available human resources.

Particular benefit can arise through linking training and job opportunities to support for the long term unemployed or excluded groups, including those returning to the labour market. This is equally true whether the jobs arise through inward investment, new business starts or existing local companies.

To ensure that projects do not give rise to barriers to access and equal opportunities, and promote opportunities, applicants will be expected to indicate:

- › What, if any, limitations does the project impose on equal access for all regardless of sex, race, age, or disability? Are there physical barriers inherent in the project and, if so, how will these be addressed?
- › What arrangements does the project make to ensure that those who have responsibilities for dependants, and those who do not have access to private cars, are able to take up the opportunities which the project will provide?
- › How can the project address the special needs of those from disadvantaged communities, or those new, or returning after long absence, to the labour market? Has consideration been given to making specific provision for those with special needs ?
- › What provision is made in the project for dialogue with those who may present barriers to opportunities, to establish a learning process taking account of where problems arise and what solutions work?

DRAFT GUIDANCE ON THE CORE CRITERIA

FORTH VALLEY OUT OF SCHOOL CHILDCARE INITIATIVE

Access and opportunity may be significantly reduced by responsibilities for children and other dependents. Conversely, providing reliable and affordable childcare can enable parents to return to work or training, or secure promoted jobs.

After five years experience, independent evaluation of the Forth Valley Out of School Care Initiative concluded that this project was a particularly cost effective way of enhancing access and opportunity. The Initiative has been supported by Forth Valley Enterprise, and Clackmannanshire and Stirling Councils. Over 1993-97, Out of School Childcare enabled 67% of parents using the service to continue in employment; 23% to take up employment, and 10% to take up training or education. 40 parents have been able to improve their position in the workforce, and a total of 60 childcare jobs have been created. It was calculated that the unit cost for helping each person into employment or training, or maintaining them in employment was £247 per year; and the cost per person assisted to take up employment was £3842 over a five year period. This suggests that dependent care may be a highly cost effective complement to other means of support for creating and safeguarding jobs and training opportunities.

8. Local Added Value

An assessment of the extent to which the project has the ability to generate local added value through for example:

- › Productive linkages between local employers and training providers or SMEs and centres of R&D.
- › Support for local sourcing initiatives and/or activities aimed at diversification within the local economy.
- › Assistance for activities which promote local support e.g. extending the Tourism season.
- › The active support and participation of the local community in project design and implementation.

The corollary of making best use of existing infrastructure, is that projects can secure mutual benefit if they add value to, as well as derive strength from, local community assets. Local sourcing of labour, trainees, and goods and services can all strengthen the market in which a project is established. Going beyond consultation to public involvement in proposals can win community support for projects. Where benefits from projects are seen to accrue locally, it is more likely that there will be continuing support for enterprises and for their future aspirations, and thus for their durability and adaptability. Links between training providers and local employers, including for modern apprenticeships and workplace training placements, can better connect local training opportunities to the needs of the local labour market.

Project proposals should not reduce local autonomy or result in a net loss of resources from the locality.

Project proposals should show in what ways they are able to:

-
- › Diversify the local economy
 - › Counter seasonality of business activity
 - › Use or make connections between local resources, including:
 - › Local sourcing of materials
 - › Local sourcing of goods and services, and using local contractors
 - › Using local labour
 - › Providing local training
 - › Adding to, or retaining, local expenditure
 - › Adding value locally when primary materials or produce are used
 - › Enhancing the quality of the local environment through, for example, diversifying the local ecology.
 - › Facilitate community involvement in project design, implementation or management.

CRAIGMILLAR EUROPEAN PROGRAMME (PHASE 1)

Craigmillar is a disadvantaged peripheral housing estate in the south-east of Edinburgh. Tackling deprivation in Craigmillar has an established tradition of building on the people and skills of the local people. Under the Craigmillar European Programme and with the support of the ERDF, activity has taken place that has co-ordinated, planned and led local regeneration:

- › Create new opportunities for sustained economic growth, from nurturing business growth to attracting inward investment and new business to the area;
- › Establish an Information Technology Centre - Teleport - offering training and services for local people and businesses;
- › Provide educational opportunity, support and guidance for adults; and
- › Develop a capacity building project for community growth and action.

This project provides an example of combining local sourcing of resources, local labour and training provision, and ensuring that benefits accrue to the local community. The aim is to secure economic regeneration with and by a local community, and support those excluded from the labour market into new jobs.

DRAFT GUIDANCE ON THE CORE CRITERIA

9. Capacity Building

An assessment of the extent to which the project addresses identified deficiencies in the local economic and social infrastructure, local organisational competencies or skills and competencies of the workforce, and which act as a constraint on growth and development.

Building capacity means enabling and equipping people to be able to help themselves. This may involve identifying what may be crucial for a community to thrive, or even to survive. This could be provision of local shops; a health centre or recreation facility; transport links or training provision. The limitation on capacity may be money: this might require innovation in providing access to funding, whether through mainstream providers, or through credit unions or LETS projects. While not all of these examples are eligible for Structural Funds support directly, community based organisations are often best placed to identify how best to build capacity locally. Funding support for community based organisations can help to tackle some of the key underlying constraints. These may be a lack of expertise, or skills; or a lack of confidence or the ability to take and manage risk.

Part of the process is also to build on existing capacity to support indigenous enterprises through the next stage of growth. This could be straightforward business expansion into a different scale or type of operation, or a diversification of product or market. Important gaps in training provision remain to be filled, in particular an expansion of modern

apprenticeships as an alternative to the HE/FE options. There are also opportunities for activities to move from the informal to formal sectors: for example, to assist local voluntary groups becoming social economy organisations, providing services on behalf of statutory agencies. Project proposals will be expected to show in what ways they support capacity building:

- › Does the project tackle an identified deficiency in provision and/or does it build on established strengths?
- › In what ways will the project enhance the capacity of the community development agencies and people in receipt of assistance?
- › How will this enhancement contribute to the wider transformation of the area or community concerned, and to developing the skills and capacities to deliver more sustainable development?

CAPACITY BUILDING THROUGH ENTREPRENEURSHIP & REGENERATION

Capacity Building in regeneration projects is important in the Eastern Scotland Programme, and was a central theme of a seminar and workshop held by Eastern Scotland European Partnership in May 1999. Under the title "Entrepreneurship & Regeneration: Social Exclusion meets Economic Inclusion", 60 participants from the public, voluntary and academic sectors studied the lessons from projects in the LBI (Locally Based Initiatives) areas of Falkirk and Dundee.

This kind of seminar is a crucial means by which the Partnership shares experience and learning to improve future project design. The lessons from these projects are that new methods - self help, networking, mentoring and facilitating - are bearing fruit. Increasing numbers, including those from areas of social and economic disadvantage, are considering the option of self employment.

At the same time, public sector agencies need to understand better, and to adopt new methods to engage with, the entrepreneurship process. This includes valuing and involving existing social and community groups and initiatives; targeting disadvantaged groups; and developing confidence-building skills.

10. Social Inclusion

An assessment of the extent to which the project is directed at integrating disadvantaged communities into mainstream activities. In particular, projects which enhance access by these communities to opportunities and benefits available elsewhere in the Programme Area will be given priority.

This criterion does not apply just to those projects targeted at areas of disadvantage. Potentially all projects can make a contribution to social inclusion, irrespective of whether tackling inclusion is their main objective. This can be direct, through providing jobs and training opportunities in or close to disadvantaged communities; or indirect, through ensuring that affordable and accessible transport links exist or will be provided to job and training opportunities. Irrespective of where a project is sited, there can be a specific policy of recruiting and training long term unemployed. It might also make explicit provision for other excluded groups.

Tackling social inclusion is also both an attitude and a matter of justice. It is about ensuring that the long term unemployed and disadvantaged communities have access to resources of all kinds. This includes fast track routes into self-employment or high technology jobs, and not just onto the lowest rung of an imposed ladder of social progress, with an implication of low tech jobs for low skilled people. Some of the most promising initiatives are those in which agencies establish firm links between the employment service, support for participation and inclusion, and inward investment and other business start-ups.

DRAFT GUIDANCE ON THE CORE CRITERIA

In what ways does the project potentially contribute to integrating disadvantaged people:

- › Does the project intend to locate in or near communities experiencing disadvantage?
- › In what ways does the project make provision for the employment and training of disadvantaged people?
- › How does the project ensure that disadvantaged people will be able to take up the opportunities of jobs, training or other service provision through, for example:
 - › Provision of public transport?
 - › Provision of training?
 - › Recruitment policies and programmes?
- › Does the project make any indirect contributions, e.g. improving accessibility for disadvantaged communities to other services, through supporting public transport provision?

TRANS FIFE COMMUNITY TRANSPORT PILOT PROJECT

Residents of some of the disadvantaged communities within Fife are excluded from the labour market as a result of geographical and economic isolation. This project attempts to address some of these barriers by provision of buses to take people to work or training.

Trans-Fife is a community owned and controlled transport operator based in the west of the region. Since the pilot project started in June 1998, over 500 people have been transported to and from training and educational establishments by Trans-Fife buses.

Travel to work is also being addressed, the availability of transport being a key determinant of employability. A local community organisation, Kelty Partnership, with support from Fife Council Economic Development Service, are setting up a Travel to Work Club for a 6 month pilot. The Travel to Work routes will be selected to target employers who have job vacancies which unemployed residents in west Fife are currently unable to access by public transport. Club members will pay a membership fee which will enable them to use the buses which will be provided by Trans-Fife. Employers and the Employment Service are both supportive of this, recognising the transport barrier that many unemployed people face, particularly in relation to shift working. This is demonstrated by the lack of job applicants from certain areas. The income generated by Trans-Fife from this initiative will facilitate the delivery of additional accessible transport to the wider local community.

11. Strategic Integration

An assessment of the extent to which the project can demonstrate direct linkages and coherence with other related activities and strategies - local, national and European - including Development Plans.

Structural Funds have evolved from funding of specific projects towards support for coherent strategies to transform the economy of regions. The contribution of individual projects can be greatly enhanced where they fit with other physically related or functionally complementary activities. This mutual enhancement can arise through complementarity, bringing together economic, social and environmental objectives, to secure the efficient and effective use of public, Community and increasingly private sector funds. This may be achieved by conformity with public policy strategies (through which, over time, other actions should reinforce the project; and in turn, the implementation of projects strengthens the strategy), or by direct relationships to other projects. Priority will be given to projects which demonstrate integration with, or adding value to, other ERDF and/or ESF assisted projects.

A particular opportunity for strategic integration is through ensuring that Structural Funds Programmes and project funding are well matched to the statutory Development Plans prepared by local authorities, which are major instruments in regulating project approval. Other opportunities for strategic integration may emerge through local authority Community Plans.

Project proposals should explain:

- › In what ways do they conform to local, national and European strategies?
- › Have the relevant partner bodies been consulted, and what has been their response?
- › What benefits are foreseen arising from the relationship between the project and relevant strategies?
- › Which other publicly assisted projects does the proposal relate to?
- › How does the proposed project integrate with, or complement, those other projects?
- › In what ways is the proposal additional to, and different from, existing provision, or earlier phases?
- › Overall, to what extent does the project bring together partner agencies, and other projects and activities, in order to bring about significant change and move towards regional transformation?

DRAFT GUIDANCE ON THE CORE CRITERIA

DUNDEE - CITY OF DISCOVERY

The City of Dundee provides a clear example of how inter-related projects, many supported by Objective 2 funding, have benefited from taking place within an overall economic development strategy formulated by the City Council, Scottish Enterprise Tayside and the wider Dundee Partnership.

Discovery Quay was established by Dundee Industrial Heritage Trust as a flagship visitor attraction based around the RRS Discovery in 1992, followed by the conversion of Verdant Works into an attraction displaying Dundee's industrial heritage. The rest of Dundee's waterfront, and the streets of the city centre, have been transformed by an ongoing programme of environmental improvements.

An adjacent cultural quarter is taking shape with the opening of Dundee Contemporary Arts Centre in March 1999, close to the expanding Rep Theatre, and overlooking the site of the Science Centre which is due to open in the summer of 2000.

The Arts Centre involves conversion of an existing derelict building, and incorporates high levels of energy efficiency. The Science Centre is being developed on a former railway goods yard, and will highlight the achievements of Dundee in the field of life sciences, which is now a major stimulus to economic growth in the city.

The Dundee 2000 marketing campaign brings together the strategies of National and Local Tourist Boards, with those of the City Council. The project seeks to develop and promote the image of Dundee as a visitor destination and directly supports the capital infrastructure investments. In particular it harmonises the Angus and Dundee Tourist Board initiative 'Discover the Secret' with the Dundee 'City of Discovery' campaign, which includes the marketing of visitor attractions and an associated programme of events.

The aim of the project is to increase the number of leisure visitors to the area by concentrating on target markets from within and outwith Scotland, and by implementing a focused range of promotions in conjunction with a diverse city events programme. With a higher profile for major arts and cultural events, it is hoped to encourage visitors with higher spending ability into the local economy. The high visitor numbers for the Contemporary Arts Centre suggest that it may be achieving this.

These are just some of the projects which have contributed towards re-establishing Dundee as a major regional economic centre, demonstrating clearly the value of an integrated, partnership approach to economic regeneration.

12. Durability and Feasibility

An assessment of the extent to which the project can demonstrate the ability to become self-sustaining over time. This is coupled with an assessment of the feasibility and risks of the project; its design and forecast targets and the capacity and track record of the delivery agent(s) to implement and sustain the project.

Project support under Structural Funds is not intended to secure only short term benefits with no lasting value. The Programme seeks to support projects which will happen, will last, will deliver the planned outcomes, and will do so in many cases with increasing self-sufficiency. This requires long term planning, realistic design and forecasting, and the capacity and commitment to deliver. The Partnership will wish to take stock of projects in the round, and will have regard to the track record of the delivery agent(s).

However, while track record will be important, the Partnership also wishes to promote innovation. The Partnership recognises this will involve risks, but this should be based on an awareness and understanding of what is involved. Shared appreciation of what is at stake between the project team and funding partners better enables all involved to mitigate and manage risks. Clearly, ambitious projects which depart from established practice, are likely to require additional work to establish their feasibility.

Project proposals need to assess:

- › To what extent has project design and financing taken into consideration the need for longer term self-sufficiency?
 - › Is financial assistance pump-priming a new kind of activity, or does it contribute to enhancing or augmenting already established activity?
 - › What would be the effect on the project of progressively reducing levels of grant aid?
 - › What financial control mechanisms and risk management or contingency planning will be in place?
 - › What exit strategies have been identified?
 - › In what ways will responsibility be taken on by others to maintain the project or consolidate its benefits; and how will expertise and understanding be transferred to project managers?
- › The delivery of outcomes:
 - › What assessment has been made of how realistic and achievable are the forecast project outcomes?
 - › What flexibility has been built in to adjust to changing market circumstances and technological developments?
 - › At what stage is it likely that outcomes will be delivered (including whether jobs created are short or long term)?
 - › What mechanisms will be in place to monitor and evaluate the delivery of outcomes, including their quality and effectiveness?

INCORPORATING SUSTAINABLE DEVELOPMENT

Examples of Project Features

Adjusting indicators and selection criteria is a dry task if it is not complemented by setting out the implications for practical projects. The aim of this Project has to be to show how a sustainable development approach will improve the Programme. Two ways of doing this are adopted here. The first is to illustrate in general terms the kind of features which the new core criteria aim to see being incorporated within projects. The second is to take three examples of real projects, and then show how these can be presented against the criteria.

Examples of Project Features

The following is not a checklist, but simply a set of examples to try to illustrate the range of topics by which projects might be enhanced. Some of the features could be the focus for a project; others one aspect amongst others. They are not intended to be exclusive or exhaustive, but indications of what is possible. Clearly, not every project is expected to show every one of the features illustrated, but over time it is expected that these features should become commonplace within the Programme as a whole.

- › **Support for dependents**
Making provision, whether directly or indirectly, for the care and/or transport of children or other family members to enable take up of employment or training opportunities.
- › **Strengthen training into work linkages**
Encouraging workplace placements, employer links to training providers, and other means of securing the transition into the labour market, and avoiding a cycle of retraining and unemployment.
- › **Transport provision, and information on transport**
Assistance with transport, especially at the start of training and employment, may contribute substantially to higher take-up/lower drop-out rates.
- › **Green commuter plans**
Businesses and training establishments are uniquely placed to know the mobility requirements of their activity, and to reduce car dependency and broaden the options for the mutual benefit of all users.
- › **The use of brownfield sites, existing buildings and infrastructure**
In general, the re-use of land or buildings offers a more efficient use of resources including access to existing communities, and to services including public transport and existing infrastructure.
- › **Clusters and nodes**
Support may also identify activities which benefit from association and clustering – e.g. high technology/innovative SMEs and research facilities; and those activities that can be dispersed and out-sourced – e.g. call centres; publishing; back office functions – providing local accessibility and reducing demands for travel.
- › **Use and minimisation of waste products**
Waste minimisation programmes, and projects to recover and re-use those products which would otherwise be waste, show potential cost savings, new markets, and environmental benefits.

Presenting Projects against the Core Criteria

- › **Energy and resource efficiency**
Similarly, the potential to use energy and other raw materials more efficiently, and to switch from non-renewable to renewable resources, continues to be under-appreciated.
- › **Environmental Technologies**
Use of new and cleaner environmental technologies, and opening up of markets for environmentally sound and socially responsible products and services.
- › **Combine job creation, training, and delivery of social and environmental goods and service**
There is scope for more multi-faceted projects to achieve the delivery of environmental improvements and care services through schemes which also create jobs and provide training. Projects can also harness the economic and social value of environmental, natural and cultural heritage resources.
- › **Securing local ownership and involvement**
New developments inaccessible to nearby people seeking jobs, training and opportunity can exacerbate alienation and exclusion; conversely local stakeholding is more likely to provide a supportive context for new enterprises.
- › **Access to resources (including finance)**
'Empowerment' may be an empty concept if those being 'enabled' do not have access to resources. In addition to training and information, access to decision makers and to money may be critical. Credit unions, Local Social Capital and LETs schemes may have key roles to play.

- › **Targeting on greatest need**
An increased focus, drawing together funds from different Priorities where appropriate, is planned for areas of high unemployment, lack of training provision or take-up, lack of diversity in local economy, and quality in the local environment.
- › **Shared vision with other agencies**
To achieve strategic integration, make partnership a productive reality, and to secure potential multiplier effects requires development of a shared vision and agenda with other agencies. Joint working in the preparation of Development Plans offers one means for doing this.

Presenting Projects against the Core Criteria

The second way to show how sustainable development is expected to become incorporated into the Programme is to take examples of projects underway. By demonstrating how projects can be assessed against the core criteria also enables project proposers to see the kind of features projects may include, and how they might be presented in project proposals.

The three examples selected are not claimed to fully reflect all aspects of sustainable development or to be 'best' practice. They do, however, show how very different types of project already supported within the Programme can include several aspects of sustainable development, and may provide experience from which to develop and learn.

INCORPORATING SUSTAINABLE DEVELOPMENT

A. Forthside

A. Forthside Visitor Management Programme (Stirling Council)

The Forthside project is a major mixed use urban renewal development on a brownfield site, designed to strengthen and enhance the role of Stirling town centre. In terms of the Structural Funds Programme it has a particular role in providing support for business infrastructure and visitor management. The following assessment, by Stirling Council officers, in particular David Martin, Director of Environmental Services, describes the project and then shows how a project of this kind can be presented against the core criteria.

Outline Project Description

The development aims to develop the existing Forthside site in Stirling in order to sustain and reinforce the growth in visitors to Stirling town, further enhancing the quality of visitor management and facilities, and ensuring that the competitive position of Stirling is maintained.

The developed site will offer:

- › A transport interchange and visitor arrival point;
- › A tourist information and orientation centre;
- › A visual arts centre;
- › Retail facilities designed to complement the existing town centre; and
- › Riverside walkways, cycle paths and boathouse facilities.

Ultimately (early in the new millennium) there will be a major events venue and hotel. The site is an ideal visitor arrival point as it has good public transport links to the rest of the town and the Old Town and Castle. It will complement the existing qualities of Stirling as a whole, and add value economically, environmentally and culturally, and in so doing will assist in the regeneration of the Lower Town area.

In the view of Stirling Council, Forthside affords the opportunity of putting the key principles of sustainable development into practice, i.e. the project will:

- › Create new employment opportunities targeted at disadvantaged groups and safeguard existing employment;
- › Achieve benefits through the remediation of the existing damaged environment; through the creation of an energy efficient approach to the design; the use of recyclable materials; and by reducing car dependency; and will
- › Result in community sustainability by the creation of a safe environment for visitors and the local community alike.

Assessment by Stirling Council of how Forthside addresses the 12 Core Criteria:

1. Net Additional Jobs

An assessment of the extent to which the project will create net additional jobs including net additional jobs safeguarded.

Assessment

- › Significant direct and construction-related job impact;
- › Safeguarding the jobs created over the last 5 years in Stirling in tourism and related sectors – sustaining visitor interest;
- › ‘Stretching’ the visitor season and tackling new markets (heritage, business tourism);
- › ‘Capturing and dispersing’ new and additional visitors from elsewhere in Stirling and to secondary attractions through effective visitor management; and
- › Moving length of stay upwards and increasing the percentage of overnights (who spend twice as much).

2. Evidence of Demand

An assessment of the quality, validity and robustness of market research and/or evidence of market failure provided as justification for intervention.

Assessment

- › Justification for intervention based upon both longitudinal and project-specific market research:
 - › RGA study into arts, culture and heritage provision;
 - › Speciality retailing feasibility study;
 - › Retail impact assessment;
 - › Conference and major events venue business case;
 - › Transportation impact assessment;
 - › Public transport system feasibility study;
 - › Stirling tourism economic activity monitor; and
 - › Environmental Assessment, including extensive contaminated land appraisals.

3. Leverage

An assessment of the extent to which grant aid is essential for the implementation of the project and to which project financing involves funds levered from sources other than the Structural Funds. Particular priority will be given to private sector contributions.

Assessment

- › The overall funding package comprises:
 - › ERDF and Partnership grant aid 11%
 - › Council funding 39%
 - › Private funding 50%

- › Internal 'Robin Hood' principle - commercial elements cross fund less commercial, remediation and community elements; and
- › 'Public profit - private finance' model. Ensures cherry-picking is minimised, and value is retained within the project once created.

It is worth noting that 'additionality' is not just about leverage - very often small amounts of public sector finance (especially ERDF/ESF) create a climate of confidence for external investors, particularly risk-averse banks.

4. Infrastructure Impact

An assessment of the extent to which the project will impact positively on the region's infrastructure for example by:

- › *Making use of serviced and/or brownfield sites;*
- › *Re-use of existing buildings;*
- › *Being in or adjacent to settlements and/or public transport;*
- › *Making use of, or developing, existing services.*

Assessment

- › 42 acre brownfield site and associated decontamination;
- › Demilitarisation of site;
- › Significant building re-use or material re-use;
- › Town centre extension and provision (for first time in generations) of town centre riverside access;
- › Improving and bringing forward town sewer improvements;
- › Provision of pedestrian links, footpaths and cycleways;
- › Significant improvement to roads infrastructure and provision of park-and-ride; and
- › New public transport interchange and coach park.

INCORPORATING SUSTAINABLE DEVELOPMENT

5. Resource Efficiency

An assessment of the extent to which the project positively addresses one or more of the following:

- › *The efficient procurement, and use of: water; energy; raw materials and other inputs;*
- › *The minimisation and management of waste;*
- › *The production of 'green' products and services; the development of cleaner technologies/processes; recycling and re-use activities; environmental monitoring and pollution abatement.*

Assessment

- › Hotel & conference centre to be linked to public transport;
- › Enhanced public transport using gas-powered and clean diesel buses;
- › Recycling stone and use of reconstituted materials;
- › Recycling on site (of waste and materials);
- › Demanding planning conditions;
- › Planting and protection of mature trees;
- › Designed to be energy efficient;
- › CHP systems under consideration;
- › Decontamination of the site;
- › Provision of interpretation, education and awareness; and
- › Service corridors - phasing of scheme.

6. Environmental Impact

An assessment of the extent to which the project contributes to the enhancement or protection of the environment, or seeks to minimise the negative impacts, whether as an infrastructure development or a revenue activity.

Assessment

- › Preparation of a sustainability action plan for the site, including proposals to mitigate the environmental impacts of the development;
- › Roads and grounds maintenance provision built in from the outset;
- › Chemical and radiological decontamination;
- › River Forth improvements - making it usable and developing a wildlife protection scheme with SNH;
- › Roads design - use of existing infrastructure corridors, and provision of noise abatement measures;
- › Commitment to treat buildings on site as if listed; and
- › Design competition a possibility for Phase II (the major events venue and hotel).

7. Access and Opportunity

An assessment of the extent to which the project actively promotes the full and equal participation of individuals and social groups in the local economy. This may be achieved for example by:

- › *Ensuring that there are no physical constraints (e.g. lack of transport) preventing individuals accessing employment and personal development opportunities.*
- › *Creating the right conditions in the labour market through active labour market policies.*
- › *Positively tackling the more subtle forms of discrimination and exclusion.*
- › *Providing a supportive learning and working environment including adequate provision and/or assistance for child/dependent care.*

Assessment

- › Public transport emphasis throughout development;
- › Joblink: training and employment opportunities for the unemployed;
- › Local labour in construction;
- › Planning agreements;
- › 'Double envelope' tender system (each tenderer is asked to provide a detailed specification on how they would achieve local labour and community liaison benefits. Second envelopes are only opened after conventional tender appraisal, to avoid challenge. Currently, with contracts awarded on quality and price - Best Value - the 'soft' aspects can be properly considered up front);
- › Play areas and childcare facilities;
- › Disabled access (footpaths and buildings);
- › At grade pedestrian flows from existing town centre; and
- › Plain English literature.

8. Local Added Value

An assessment of the extent to which the project has the ability to generate local added value through for example:

- › *Productive linkages between local employers and training providers or SMEs and centres of R&D.*
- › *Support for local sourcing initiatives and/or activities aimed at diversification within the local economy.*
- › *Assistance for activities which promote local support e.g. extending the Tourism season.*
- › *The active support and participation of the local community in project design and implementation.*

Assessment

- › Active, real and ongoing consultation and community influence on the proposals;
- › Community involvement in the development vehicle;
- › Local businesses on tender lists - plus proactive pre-tender preparation;
- › Counter-seasonal tourism impact;
- › Significant absolute increase in visitors and in visitor expenditure locally, per head;
- › Support for visitor bednights; and
- › Orientation of development to provide support for old town retailers and small businesses.

9. Capacity Building

An assessment of the extent to which the project addresses identified deficiencies in the local economic and social infrastructure, local organisational competencies or skills and competencies of the workforce, and which act as a constraint on growth and development.

Assessment

- › Development will aim to enhance capacity by building on established strengths:
 - › Stirling is a regional service and administrative centre with a suitable skills pool;
 - › Successful historic towns elsewhere in UK and Europe have achieved a blend of 'heritage, culture and visitor retailing'; and
 - › Enhanced social and community infrastructure.

10. Social Inclusion

An assessment of the extent to which the project is directed at integrating disadvantaged communities into mainstream activities. In particular, projects which

INCORPORATING SUSTAINABLE DEVELOPMENT

enhance access by these communities to opportunities and benefits available elsewhere in the Programme Area will be given priority.

Assessment

- › The Project has a clear link to the Stirling Initiative and the Stirling Partnership for Urban Regeneration;
- › 'Core' and 'target areas' approach - the people who need jobs and who are more socially excluded live 'off-site' - so transport links are essential. Information on the development needs to be targeted and support packages tailored to the needs of these local people;
- › Significantly enhanced public transport across town, linking business parks and retail parks; and
- › Joblink and Local Labour in Construction are explicit priority objectives.

11. Strategic Integration

An assessment of the extent to which the project can demonstrate direct linkages and coherence with other related activities and strategies – local, national and European – including Development Plans.

Assessment

- › Project is designed to be consistent with, and part of realisation of:
 - › National Planning Policy Guidelines (NPPGs), Structure and Local Plans;
 - › LA21/Environmental Charter;
 - › Local transport strategy;
 - › Social inclusion strategy;
 - › Economic development strategy 'Global Change/Local Challenge';

- › Eastern Scotland Objective 2 Programme; and
- › Scottish Enterprise network and Scottish Tourist Board National Strategies.

12. Durability and Feasibility

An assessment of the extent to which the project can demonstrate the ability to become self-sustaining over time. This is coupled with an assessment of the feasibility and risks of the project; its design and forecast targets and the capacity and track record of the delivery agent(s) to implement and sustain the project.

Assessment

- › Stirling Council's previous track record on Thistle II Ltd and Central Scotland Business Parks Ltd (the Council, and its predecessor authorities, has a history since 1992 of working in joint ventures with private sector partners, utilising commercial finance where appropriate. Thistle II Ltd involved setting up a company to procure a shopping centre, while Central Scotland Business Parks Ltd is a joint venture with another local authority and a private property developer to procure four business parks in Stirling and Clackmannanshire. These have provided valuable experience, in-house expertise and market credibility);
- › Long term project commitment with linked phasing;
- › Risk management:
 - › Decontamination - environmental management;
 - › Cost control and management;
 - › Effective tender processes and use of best practitioners;

B. West Fife Enterprises

- › Solid base of feasibility work, including the sustainability action plan;
- › Forward targets - well researched:
 - › Development costs and revenues;
 - › Scheme marketing and letting - approach important; and
- › The major events venue and hotel provision to be preceded by a convention bureau.

B. Community Led Response to Local Economic Decline (West Fife Enterprises)

The West Fife Enterprises Project provides access to training and employment opportunities for those people who would otherwise be excluded from the labour market. In terms of the Structural Funds programme, the project provides support for training and human resources development (HRD) in an area of need. The following assessment, by Alan Boyle of West Fife Enterprises, describes the project and then shows how a project of this kind can be presented against the core criteria.

Outline Project Description

West Fife Enterprises Ltd is a community company limited by guarantee with charitable status. The company is owned and controlled by people from the local area. The fundamental aim of the community based and community led organisation is to provide high quality, professional training services to meet the needs of unemployed individuals living locally.

The area served by West Fife Enterprises Ltd is known locally as the West Fife Villages and includes 14 separate settlements, and a widely dispersed population of 13,000. The area is perhaps best known for its mining heritage, with many of the villages established and developed to serve the needs of local pits (coal mines). Initially, when

mining declined, alternative employment which suited the traditional background skills of residents was available in the defence, textile and manufacturing industries. Not surprisingly therefore, the double impact of the collapse of the mining industry, and then the loss of manufacturing and defence jobs, had a devastating effect on local employment and on the social and economic welfare of these communities.

High levels of unemployment (around 12%), in particular long-term unemployment, has been compounded by out-migration, a low skills base and poor qualifications, and low levels of confidence, motivation and expectation. Approximately 60% of the trainees are women, reflecting local industry demand, and 10 - 12% are disabled; addressing equal opportunities and special needs are therefore also crucial.

The activities of West Fife Enterprise Ltd are central to the economic recovery of the West Fife Villages and in providing local people with the skills and competencies such that they may compete for jobs on a fair and equal basis. This is reflected in the company's mission statement:

"We are committed to finding out and meeting the needs of our community by designing and delivering training provision that is responsive to these needs, promoting access to opportunities through training and achieving and maintaining quality in all we do."

West Fife Enterprises note that where a project focuses on excluded groups, long term continuing support will be required. It is also noted that community control remains dependent on political goodwill; and that local expertise still risks being disregarded by the public support agencies, who themselves sometimes lack coherent strategy, with resultant gaps and duplication. Some of the social and environmental benefits are hard to measure or only partially influenced by the project.

INCORPORATING SUSTAINABLE DEVELOPMENT

Assessment by West Fife Enterprises on how they address the 12 Core Criteria:

1. Net Additional Jobs

An assessment of the extent to which the project will create net additional jobs including net additional jobs safeguarded.

Assessment

- › Organisation's staff posts
- › Participants entering self-employment and business start up
- › New entrants to the labour market
- › Unemployed join the workforce
- › Returners re-enter the workforce.

2. Evidence of Demand

An assessment of the quality, validity and robustness of market research and/or evidence of market failure provided as justification for intervention.

Assessment

- › Scottish Executive deprivation indicators
- › Census profile information
- › Labour market intelligence reports
- › Local area strategies
- › LBI (local business initiative) strategy
- › Local authority policies
- › Defence decline impact studies
- › Employment services
- › Commissioned studies, e.g. ex-coal mining communities.

3. Leverage

An assessment of the extent to which grant aid is essential for the implementation of the project and to which project financing involves funds levered from sources other than the Structural Funds. Particular priority will be given to private sector contributions.

Assessment

- › Matching local authority funding
- › Grant aid is essential (funding not otherwise available)
- › Purely additional activity
- › Elements of private contributions
- › Access becoming available to other sources, e.g. Further Education.

4. Infrastructure Impact

An assessment of the extent to which the project will impact positively on the region's infrastructure for example by:

- › *Making use of serviced and/or brownfield sites;*
- › *Re-use of existing buildings;*
- › *Being in or adjacent to settlements and/or public transport;*
- › *Making use of, or developing, existing services.*

Assessment

- › Re-using three derelict buildings
- › Located in deprived villages
- › Adjacent to settlements
- › Accessible by public transport.

5. Resource Efficiency

An assessment of the extent to which the project positively addresses one or more of the following:

- › The efficient procurement, and use of: water; energy; raw materials and other inputs;
- › The minimisation and management of waste;
- › The production of 'green' products and services; the development of cleaner technologies/processes; recycling and re-use activities; environmental monitoring and pollution abatement.

Assessment

- › Very tight resource base
- › Purchasing of recycled materials
- › Re-cycling of own waste materials
- › Waste management
- › Elements of self-sufficiency.

6. Environmental Impact

An assessment of the extent to which the project contributes to the enhancement or protection of the environment, or seeks to minimise the negative impacts, whether as an infrastructure development or a revenue activity.

Assessment

- › Environment enhanced through use of derelict sites
- › Reduced dumping at sites
- › Improved community image
- › Decrease in vandalism
- › Decrease in crime and anti-social behaviour
- › Improvements in health and social interaction.

7. Access and Opportunity

An assessment of the extent to which the project actively promotes the full and equal participation of individuals and social groups in the local economy. This may be achieved for example by:

- › Ensuring that there are no physical constraints (e.g. lack of transport) preventing individuals accessing employment and personal development opportunities.
- › Creating the right conditions in the labour market through active labour market policies.
- › Positively tackling the more subtle forms of discrimination and exclusion.
- › Providing a supportive learning and working environment including adequate provision and/or assistance for child/dependent care.

Assessment

- › Targeted at excluded groups
- › Facilities locally accessible, with transport, aids and adaptations
- › Child and dependent care
- › Network of special support services
- › Nurturing environment
- › Monitored cross section of local populace
- › Direct entry into labour market
- › Pay allowances to aid participation
- › Flexible participation length
- › Access to lifelong learning.

8. Local Added Value

An assessment of the extent to which the project has the ability to generate local added value through for example:

- › Productive linkages between local employers and training providers or SMEs and centres of R&D.

INCORPORATING SUSTAINABLE DEVELOPMENT

- › *Support for local sourcing initiatives and/or activities aimed at diversification within the local economy.*
- › *Assistance for activities which promote local support e.g. extending the Tourism season.*
- › *The active support and participation of the local community in project design and implementation.*

Assessment

- › Employers' influences on project design
- › Employers use as a recruitment base
- › Employers have broader involvement in the community
- › Local people own and control the organisation
- › Community activists involved in the design and implementation
- › Community activists' strategic understanding enhanced.

9. Capacity Building

An assessment of the extent to which the project addresses identified deficiencies in the local economic and social infrastructure, local organisational competencies or skills and competencies of the workforce, and which act as a constraint on growth and development.

Assessment

- › Residents' base of skills and qualifications improved
- › Local 'skills pool' created
- › Community organisations' skills and understanding developed
- › Networks and partnerships formed
- › Increased number of residents with independent income

- › Social infrastructure enhanced through higher number of wage earners
- › Prospect of local employment creation enhanced.

10. Social Inclusion

An assessment of the extent to which the project is directed at integrating disadvantaged communities into mainstream activities. In particular, projects which enhance access by these communities to opportunities and benefits available elsewhere in the Programme Area will be given priority.

Assessment

- › Residents of disadvantaged communities provided with direct access to labour market
- › Improved access to avenues of further education and skills development
- › Social, cultural and leisure opportunities enhanced through creation of wage earners.

11. Strategic Integration

An assessment of the extent to which the project can demonstrate direct linkages and coherence with other related activities and strategies – local, national and European – including Development Plans.

Assessment

- › Project is designed to be consistent with, and part of realisation of:
 - › Scottish Executive, social inclusion policy
 - › EC Objective 2, Locally Based Initiatives Strategy
 - › EC RECHAR
 - › EC Objective 3

C. Rosyth Europarc

- › New deal - Welfare to Work
- › Life Long Learning - access to opportunity
- › Fife Council Economic Development Policy
- › Fife Vocational Education and Training Strategy.

12. Durability and Feasibility

An assessment of the extent to which the project can demonstrate the ability to become self-sustaining over time. This is coupled with an assessment of the feasibility and risks of the project; its design and forecast targets and the capacity and track record of the delivery agent(s) to implement and sustain the project.

Assessment

- › Although need for support for excluded groups is likely to remain, project aims to reduce this to a less dramatic level
- › Provides opportunity to diversify funding base, form new partnerships, more coherent approach and greater synergy
- › Need will change from re-active to pro-active, i.e. life long learning
- › West Fife Enterprises now evolved through 4 phases of activity, from voluntary services to the provision of a fully integrated package of training and work experience in the community. The following outcomes have been achieved (by July 1999):
 - › 600 residents received full time training (Approx. 12 months)
 - › 450 (75%) achieved full qualifications (Scottish Vocational Qualifications - SVQ Level II - Competence)
 - › 540 (90% of participants) completed programme

- › 480 (80% of participants) secured jobs as direct outcome
- › 24 (4% of participants) moved directly into full time further education
- › 90% of completers moved directly into jobs, and 90% of these were in occupations directly related to those in which they had trained.

C. Strategic Response to Regeneration of Rosyth Former Royal Naval Base (Rosyth Europarc Regeneration)

Outline Project Description

Withdrawal of the Royal Navy from Rosyth created major threats and opportunities for employment. Rosyth 2000 Limited - a private and public sector partnership - was formed in 1995 to acquire and develop designated areas within the former Naval Base. The partnership has brought together some of Scotland's foremost companies and the local planning authority, as the necessary means to secure transformation of the dockyard and ensure that such a strategically and economically important site is developed. The partners are ScottishPower, the Bank of Scotland, Babcock International, Forth Ports Plc and Fife Council.

The project is the first stage of a major redevelopment of the Rosyth Defence Estate into a mixed industrial, business, leisure, tourism and retail site. It is complementary to, and integrated with, the proposals by Rosyth 2000 to prepare the site with roads and other infrastructure, and provide the necessary servicing for redevelopment and diversification away from the defence industry, but building on the existing industrial and marine expertise.

INCORPORATING SUSTAINABLE DEVELOPMENT

The following assessment of this ERDF project is by officers of Fife Council.

[Assessment by Fife Council of how Rosyth Europarc addresses the 12 Core Criteria:](#)

1. Net Additional Jobs

An assessment of the extent to which the project will create net additional jobs including net additional jobs safeguarded.

Assessment

- › Initially the project provides a number of direct construction related jobs
- › Companies moving into larger premises in the new business parks will safeguard their existing jobs and create new jobs
- › These companies will then have the facilities to continue their growth and therefore job creation
- › Businesses in the area which previously provided goods and services to the Base may be sustained by the new businesses now located there
- › Regeneration and environmental improvement to the site allows other developments to take place although they don't directly benefit from the funding. This includes the cruise liner business - 22 are booked to come to the site in 1999 and this could also lead to safeguarding and creation of tourism jobs.

2. Evidence of Demand

An assessment of the quality, validity and robustness of market research and/or evidence of market failure provided as justification for intervention.

Assessment

- › Justification for this project was based on both need in the area and the actual demand for industrial and business premises.

- › Demand was indicated in the EKOS Industrial and Commercial Property Market Review
- › Need was analysed in the Fife Defence Study which measured the impact of the closure of the site
- › The prompt take up of units at Rosyth has now backed up the findings of these studies.

3. Leverage

An assessment of the extent to which grant aid is essential for the implementation of the project and to which project financing involves funds levered from sources other than the Structural Funds. Particular priority will be given to private sector contributions.

Assessment

- › The overall funding packages for the various projects comprised:
 - › ERDF from KONVER II and Objective 2 Eastern Scotland
 - › Fife Council funding
 - › Private funding from Rosyth 2000 partners
- › As this was a derelict and contaminated site, with much dilapidated infrastructure, and which could not immediately be used for another purpose without major work, ERDF and public support was essential to make the project possible.
- › ERDF has allowed initial environmental works, decontamination, basic infrastructure including road access into the site and from the main M90 and the construction/refurbishment of industrial units on the site. The PACTE programme has also supported feasibility work for a RORO ferry terminal at the site.

4. Infrastructure Impact

An assessment of the extent to which the project will impact positively on the region's infrastructure for example by:

-
- › *Making use of serviced and/or brownfield sites;*
 - › *Re-use of existing buildings;*
 - › *Being in or adjacent to settlements and/or public transport;*
 - › *Making use of, or developing, existing services.*

Assessment

- › The project makes use of 46 hectares of brownfield site which would otherwise have lain derelict
- › The works on site make use of existing buildings and refurbish them as industrial/business units
- › The site is close to a number of settlements, as it was a major source of employment, much of the former workforce was local. A main aim of the regeneration of the site is to recreate permanent employment for these local areas and to reverse the trend of increasing numbers daily travelling to south of the Forth Estuary for employment.
- › The site also benefits from multi-modal transport. There is a rail link directly onto the site. If current proposals go ahead, it should be possible to transport goods from the West of Scotland ports to Rosyth by rail and then onward by sea. Feasibility of using the site as a RORO ferry port is currently being investigated.
- › The works have included modernisation of existing services and the improvement of transport links
- › The re-use of the site builds on and depends on the existing businesses already situated in the area and continues the useful life of the services and port facilities.

5. Resource Efficiency

An assessment of the extent to which the project positively addresses one or more of the following:

- › *The efficient procurement, and use of: water; energy; raw materials and other inputs;*
- › *The minimisation and management of waste;*
- › *The production of 'green' products and services; the development of cleaner technologies/processes; recycling and re-use activities; environmental monitoring and pollution abatement.*

Assessment

- › During the works, a conscious effort has been taken to ensure that materials are re-used wherever possible. Materials recovered from demolition were re-used for the access road improvements.

6. Environmental Impact

An assessment of the extent to which the project contributes to the enhancement or protection of the environment, or seeks to minimise the negative impacts, whether as an infrastructure development or a revenue activity.

Assessment

- › The re-use of a brownfield site has meant a major positive impact on the environment
- › In the course of applying for European funding, discussions were undertaken with Scottish Natural Heritage over aspects of the site, and their requirements were taken into account regarding the natural environment of the site
- › The improvements to the infrastructure have also had a positive environmental impact on the site. Standards have been increased and outfalls to sea have been removed.

INCORPORATING SUSTAINABLE DEVELOPMENT

7. Access and Opportunity

An assessment of the extent to which the project actively promotes the full and equal participation of individuals and social groups in the local economy. This may be achieved for example by:

- › Ensuring that there are no physical constraints (e.g. lack of transport) preventing individuals accessing employment and personal development opportunities.
- › Creating the right conditions in the labour market through active labour market policies.
- › Positively tackling the more subtle forms of discrimination and exclusion.
- › Providing a supportive learning and working environment including adequate provision and/or assistance for child/dependent care.

Assessment

- › The project site is served by multi-modal transport links and is close to several settlements, therefore any physical constraints are minimised
- › The types of businesses able to locate at Rosyth are varied and therefore a wide range of skill groups and levels of employment are available
- › Action has been taken to improve/expand local training facilities and the National Government's Individual Learning Accounts scheme has been piloted at this site.

8. Local Added Value

An assessment of the extent to which the project has the ability to generate local added value through for example:

- › Productive linkages between local employers and training providers or SMEs and centres of R&D.
- › Support for local sourcing initiatives and/or activities aimed at diversification within the local economy.
- › Assistance for activities which promote local support e.g. extending the Tourism season.
- › The active support and participation of the local community in project design and implementation.

Assessment

- › A Business Innovation Centre is planned for the site and this will provide a link between local employers/new businesses and DERA and Heriot Watt University as centres of R&D
- › Rosyth 2000/Rosyth Europarc support the maximisation of materials and services acquisition from the surrounding area
- › The nature of the regeneration programme at Rosyth is to support diversification of employment sources at and around the site, increasing the number and nature of employees/employment and creating a more balanced and less dependent local economy
- › In addition to industrial uses, the attraction of cruise liners should allow some increase in tourism activity for the site, again providing new and alternative employment opportunities
- › The proposals for regeneration at Rosyth were included in the Fife Structure Plan and the local plan and therefore were the subject of a full consultation process involving local people, agencies and organisations throughout Fife and beyond, and with specific local focus on matters of detail and greatest local significance.

9. Capacity Building

An assessment of the extent to which the project addresses identified deficiencies in the local economic and social infrastructure, local organisational competencies or skills and competencies of the workforce, and which act as a constraint on growth and development.

Assessment

- › Continued use of the apprentice-training facilities at the Rosyth Royal Dockyard; links with this facility to Lauder Further Education College and the introduction of Individual Learning Accounts, are aimed at enabling a high uptake of new – different – employment by those leaving the local defence establishment and ensuring the continued use of former defence related training capacity to be refocused to meet local and wider needs and assist overall economic/social regeneration. This ensures that the local workforce are enabled to seek this type of employment at the dockyard.

10. Social Inclusion

An assessment of the extent to which the project is directed at integrating disadvantaged communities into mainstream activities. In particular, projects which enhance access by these communities to opportunities and benefits available elsewhere in the Programme Area will be given priority.

Assessment

- › The local area around Rosyth was badly hit after the closure of the Royal Naval Dockyard in terms of job losses. Lack of employment is a major barrier to social inclusion. The diversification and regeneration of this site provides the possibility of jobs for local people.

11. Strategic Integration

An assessment of the extent to which the project can demonstrate direct linkages and coherence with other related activities and strategies – local, national and European – including Development Plans.

Assessment

- › The project links with the development plans and transport strategies for the area. It also fits exactly with the National Government's Defence Diversification Strategy and with both the Objective 2 and KONVER Programmes. The nature of the works to redevelop the site and diversify away from the defence dependent types of employment of the past, fit closely with these strategies.

12. Durability and Feasibility

An assessment of the extent to which the project can demonstrate the ability to become self-sustaining over time. This is coupled with an assessment of the feasibility and risks of the project; its design and forecast targets and the capacity and track record of the delivery agent(s) to implement and sustain the project.

Assessment

The European Funding obtained for this project is required to kick start the project and was much needed due to the derelict nature of the site. The project is expected to become self-sustaining. In addition to the public funding for this project there is the issue of the private sector involvement. Their approach and philosophy should help to ensure sustainability in the future.

SOURCES OF ADVICE

Some useful Sources of Advice

All of the agencies supporting this Project are undertaking activities to take forward sustainable development. The policy commitments have been set out earlier in this Report. Work is now underway translating this into action, through the development of strategy, the devising and application of regulations and guidance, support for practical action, and work on output measures and indicators.

Advice is available from many different sources. In addition to the many consultants and commercial organisations, and to local government and the Local Enterprise Companies (LECs), some of the central government, public and voluntary sources include:

Eastern Scotland European Partnership Ltd (ESEP)
Programme Executive
Enterprise Way
Carnegie Campus South
Dunfermline
Fife KY11 8PY
<http://www.esep.co.uk/>
Tel: 44 (0) 1383 622 537
Fax: 44 (0) 1383 622 624

European Structural Funds Division
Scottish Executive Development Dept.
Victoria Quay
Edinburgh EH6 6QQ
<http://www.scotland.gov.uk/>
Tel: 44 (0) 131 244 0692
Fax: 44 (0) 131 244 0718

Scottish Enterprise
120 Bothwell Street
Glasgow G2 7JP
<http://www.scotent.co.uk/>
Tel: 44 (0) 141 248 2700
Fax: 44 (0) 141 221 3217

Scottish Natural Heritage (SNH)
12 Hope Terrace
Edinburgh EH9 2AS
<http://www.snh.org.uk/>
Tel: 44 (0) 131 447 4748
Fax: 44 (0) 131 446 2277

Scottish Environment Protection Agency (SEPA)
SEPA Head Office
Erskine Court
Castle Business Park
Stirling FK9 4TR
<http://www.sepa.org.uk/>
Tel: 44 (0) 1786 457700
Fax: 44 (0) 1786 44 6885

Scottish Tourist Board (STB)
23 Ravelston Terrace
Edinburgh EH4 3EU
<http://www.holiday.scotland.net/>
Tel: 44 (0) 131 332 2433
Fax: 44 (0) 131 315 3877

Historic Scotland
Head Office
Longmore House,
Salisbury Place
Edinburgh EH9 1SH
<http://www.historic-scotland.gov.uk/>
Tel: 44 (0) 131 668 8600

Convention of Scottish Local Authorities (COSLA)
Rosebery House
9 Haymarket Terrace
Edinburgh EH12 5XZ
<http://www.cosla.gov.uk/>
Tel: 44 (0) 131 474 9200
Fax: 44 (0) 131 474 9292

Department for Trade
and Industry (DTI)
<http://www.dti.gov.uk/>

DTI UK Best Practice
Programmes
Tel: 44 (0) 171 215 5224

DTI Small and Medium-sized
Businesses (SME)

Technology Access and
Development Focus Technical
Tel: 44 (0) 171 215 3804

also:

DTI/DETR (Department for
the Environment, Transport
and the Regions)

Environment and Energy Helpline
[Free service for UK businesses
provided by Environmental
Technology and Energy
Efficiency Best Practice
Programmes]
Helpline: 44 (0) 800 585 794

Building Research
Establishment (BRE)

Garston
Watford WD2 7JR
<http://www.bre.co.uk/>

Tel: 44 (0) 1923 664 000
Fax: 44 (0) 1923 664 010

Building Research Energy
Conservation Support Unit
(BRECSU)

Tel: 44 (0) 1923 664 258
Fax: 44 (0) 1923 664 787

Employment Service
Office for Scotland
Argyle House
3 Lady Lawson Street
Edinburgh EH3 9SD
<http://www.dfee.gov.uk/>

Tel: 44 (0) 131 229 9191

Equal Opportunities Commission
Stock Exchange House
Glasgow G2 1QW
<http://www.eoc.org.uk/>

Tel: 44 (0) 141 248 5833
Fax: 44 (0) 141 248 5834

Forward Scotland
c/o Scottish Power
St Vincent Crescent
Glasgow G3 8LT
<http://www.enviroweb.org/greenaction/fwdscot.html>

Tel: 44 (0) 141 567 4334
Fax: 44 (0) 141 567 4339

British Trust for Conservation
Volunteers (BTCV)
36 St Mary's Street
Wallingford
Oxfordshire OX10 0EU
<http://www.btcv.org.uk/>
Tel: 44 (0) 1491 839 766
Fax: 44 (0) 1491 839 646

Friends of the Earth
Scotland (FoE(S))
Bonnington Mill
72 Newhaven Road
Edinburgh EH6 5QG
<http://www.foe-scotland.org.uk/>
Tel: 44 (0) 131 554 9977
Fax: 44 (0) 131 554 8656

Royal Society for the
Protection of Birds
RSPB (Scotland) Headquarters
Dunedin House
25 Ravelston Terrace
Edinburgh EH4 3TP
<http://www.rspb.org.uk/>
Tel: 44 (0) 131 311 6500

Sustrans
Head Office
35 King Street
Bristol BS1 4DZ
<http://www.sustrans.co.uk/>
Tel: 44 (0) 117 926 8893
Fax: 44 (0) 117 929 4173
Enq: 44 (0) 117 929 0888

The Scottish Wildlife Trust (SWT)
Cramond House
Kirk Cramond
Cramond Glebe Road
Edinburgh EH4 6NS
<http://www.wildlifetrust.org.uk/>
Tel: 44 (0) 131 312 7765
Fax: 44 (0) 131 312 8705

PROJECT OUTCOMES: THE WAY FORWARD

Achievements and Next Steps

The Sustainable Development Project is on course to fulfil its terms of reference to deliver proposals for both short and longer term change to the Eastern Scotland Objective 2 Programme. Following the Partnership Conference, the work underway has been reported to the SPD Monitoring Committee, the Plan Team for the 2000-2006 SPD, and to the European Commission. It may be helpful to summarise the outcomes of the project, and the further work envisaged.

Short-term change within the 1997-1999 SPD

- › Change to Output Indicators
The Output indicators described in Table 1 have been implemented as part of the Review of the Programme Baseline and Performance Indicators.
- › Workshops with members of the Partnership to develop and explain the changes proposed: Developmental Workshops for Advisory Group members have been held as part of the project; Presentations and workshops for the Partnership were held on 15 June 1998; and a Partnership Conference: held on 23 November 1998.

Work now being reported for the 2000-2006 SPD

- › Change to Core Criteria:
Development and Integration of the 12 Sustainable Development Core Criteria for project design and selection, presented in this Report.
- › Draft Guidance Notes:
Guidance Notes on the New Core Criteria for Project Selection are set out in this Report. These, together with the examples of project features and the assessments of how three very different projects can be presented by project proposers, are intended to assist with

completion of the application forms for assistance. The examples of current practice included in the Guidance section of the Report, and the list of some of the sources of advice, should give further assistance.

- › European Network:
Since the Consultative Conference and Report in November 1998, meetings have been held in Brussels and Berlin of all regions taking part in the Commission's pilot programme. The Eastern Scotland European Partnership have been active participants, and amongst those most strongly supporting development of the network as a practical means for sharing experience, and exchanging good practice, and this process is continuing. Other regions have reacted favourably to the Eastern Scotland approach, and several are developing programmes incorporating aspects of the core selection criteria.

Next Steps for the 2000-2006 SPD

- › A Shared Vision for the East of Scotland Programme Area
The Workshops, which formed part of the project, advocated the case for setting out a shared vision for the Programme Area. This included devising means for bringing together partner bodies to better align strategic frameworks, including Development Plans. At present the Partnership has an emerging track record of projects which address strategic integration: Forthside, Dundee and Rosyth are examples cited in this Report. However, to achieve the transformation of the region's economy, which the partner bodies seek, requires integration of strategy at a higher level. In the West of Scotland, benefits have arisen through the close relationship

between the Structure Plan (Glasgow and the Clyde Valley) and the Western Scotland SPD. Experience from this, and the progress made on the European Spatial Development Perspective, suggest that benefits could accrue from mutual alignment between the Structure Plans in East of Scotland and the new SPD, so that each supports the other.

- › Revision of the SPD, including Objectives and Scope, Measure Specific Criteria, and Application Forms

Work by the Plan Team is reflecting a more integrated and focussed approach, incorporating sustainable development as a founding principle; reflecting this through the core selection criteria; and targeting support where most needed. The potential will also be examined to further strengthen sustainable development by looking to integrate the principle into measure specific criteria. It is also intended to re-design the application forms for project support, tailored to the criteria being adopted in the East of Scotland.

- › Output Indicators

However, the measurement framework adopted to assess projects and the Programme is equally important. The changes already made need to be followed through, so that the SPD Output Indicators progressively reflect the full range of outcomes being sought. Work being undertaken by Scottish Enterprise Tayside is likely to be a key input to further development of appropriate indicators.

- › Review and Monitoring of the assimilation of sustainable development

The Steering Group considered merits of the process being championed by an individual or being embedded at a senior level advised by a

Partnership Steering Group. In the light of the Commission's guidance, and the Partnership's commitment - **that the principle of sustainable development should be at the core of the 2000-2006 SPD** - the clear preference is to see sustainable development embedded at a senior level. It should not be hived off as a specialist topic.

The Steering Group will therefore continue as a standing Advisory Group on Sustainable Development to the Partnership as agreed by the SPD Monitoring Committee. Its role will be to offer guidance on strategy; review practice and implementation; continue participation in the European Network; and consider how to develop the capacity of project applicants, agencies and Advisory Groups to further promote sustainable development. It will therefore continue to undertake development work on how to incorporate sustainable development into economic development programmes. The Group will have no locus in project appraisal or selection.

ACKNOWLEDGEMENTS

This Report has been produced for the Eastern Scotland European Partnership by the Sustainable Development Project Steering Group. The members of the Group are:

Gordon McLaren (Chair) *Director, ESEP Programme Executive*

Susan Tamburrini *ESEP Programme Executive*

Joanna Douglas *Scottish Environment Protection Agency*

John Forbes *Midlothian Enterprise Trust*

Marion Francis/Richard Maconachie *Scottish Enterprise*

Neil Gateley/Charles Dorrance *Fife Council*

Andrew Llanwarne *Scottish Enterprise Tayside*

Jim Millard/Elizabeth Williamson *The Scottish Office/Scottish Executive*

Iain Rennick/John Theaker/Philip Immirzi, *Scottish Natural Heritage*

Alan Speedie *Stirling Council*

Tim Birley *Tim Birley Consultancy*

This Steering Group met regularly throughout the project, meeting weekly during intensive periods. The Group worked as a team and formed the core around which the Partnership and participative approach developed.

The research, conducted between January 1998 and August 1999, has been undertaken by Tim Birley, an independent adviser on sustainable development

and public policy, appointed by and working with the Steering Group, and the main author of this report.

The Project is funded by the European Commission under Article 7 of the ERDF; funding has also been provided by Scottish Enterprise, Scottish Enterprise Tayside, SEPA, SNH, and by the Eastern Scotland European Partnership. The Project has been strengthened by the consistent support from the European Commission, and by the positive response from other regions participating in the pilot project programme.

The Steering Group is particularly grateful to John Markland, then Chief Executive of Fife Council and Chairman of Forward Scotland (now Chairman of Scottish Natural Heritage), who chaired the Partnership Conference; and to Jim Millard of the Scottish Executive (then The Scottish Office), who deputised for the Minister.

The Conference was also informed by Project Presentations:

- › Support for SMEs
John Forbes - Midlothian Enterprise Trust
Charles Dorrance - Fife Council
- › Support for Business Infrastructure
David Martin - Stirling Council
- › Support for Training/Human Resources Development (HRD)
Alan Boyle - West Fife Enterprises
- › Support for Community Economic Development (CED)
Mac Wilkinson - Craigmillar Initiative Ltd
- › Tourism
Neil Black - Scottish Tourist Board (STB)

The Project would not have been possible without the participation, encouragement and support of all those who took part in the series of workshops and attended the Conference. This includes those from the Partnership Committees, and its Advisory Groups, those responsible for projects, and the Programme Executive:

Melanie Abbott *Eastern Scotland European Partnership*
Carol Adam *Forth Valley Enterprise*
Catherine Alexander *Heriot Watt University*
Sam Anderson *Central Scotland Chamber of Commerce*
Prof. Richard Ashley *University of Abertay*
Lutz Badenhop *Angus Council*
Pauline Barnaby *Scottish Council for Voluntary Organisations*
Judith Belford *Angus College*
Jim Bennett *Brag Enterprises Ltd*
Tim Birley *Tim Birley Consultancy*
Neil Black *Scottish Tourist Board*
Carol Booth *Forth Valley Enterprise*
Stefan Boron *Heriot Watt University*
Alan Boyle *West Fife Enterprise Ltd*
Jan Boyle *Telford College, Edinburgh*
Ilona Braunlich *European Commission DGXVI*
Alistair Cameron *Claverhouse Group*
Anne Campbell *City of Edinburgh Council*
Susan Carr *Craigmillar Opportunities Trust*
Tony Christie *Falkirk Council*
Alan Church *Scottish Environment Protection Agency*

Keith Clement *EKOS*
Gerry Connelly *Scottish Enterprise*
Arlene Cooke *Langlees Community Development Project, Falkirk*
Michel Cornaert *European Commission, DG XII*
Jennifer Coutts *Eastern Scotland European Partnership*
Roger Crofts *Scottish Natural Heritage*
Dr. Kevin Cullen *Heriot Watt University*
Alison Davidson *Stirling Enterprise*
Philip Davies *Dumfries & Galloway European Partnership*
Andrew Davis *West Cumbria Groundwork Trust*
Neil Deasley *Clackmannanshire Council*
Charles Dorrance *Fife Council*
Joanna Douglas *Scottish Environment Protection Agency*
John Duff *Forth Valley Enterprise*
Jack Engwegen *European Commission, DGXVI*
Susan Tamburrini *Eastern Scotland European Partnership*
Andrew Faulk *Midlothian Enterprise Trust*
Aubrey Fawcett *Clackmannanshire Council*
Dr. Ben Ferrari *University of St Andrews*
Tim Figures *European Commission, DGXVI*
Ian Findlay *Highlands & Islands Enterprise*
Ian Findlay *Scottish Enterprise Tayside*
John Forbes *Midlothian Enterprise Trust*
Marion Francis *Scottish Enterprise*

ACKNOWLEDGEMENTS

John Fyffe *LEEL*

James Garry *The Craigmillar Initiative*

Derek Gavin *Stirling Enterprise Park Ltd*

Neil Gately *Fife Council*

Ayele Gelan *University of Abertay*

Dr. Campbell Gemmell *Central Scotland
Countryside Trust*

Anne Gibb *Lauder College*

Anne Gibson *BRAG Enterprises Ltd*

John Gibson *Stirling Council*

John Gillies *Trade Development Centre, Newhouse*

Kelsa Graham *Eastern Scotland European Partnership*

Tony Grant *Sustrans Scotland*

Dr. Iain Grieve *Napier University Ventures Ltd*

Lynn Hamilton *Argyll, The Isles, Loch Lomond,
Stirling and Trossachs Tourist Board*

Ann Hardy *Falkirk College*

Christopher Harris *Moredun Foundation/Edinburgh
Bioparks Ltd*

Norma Hart *Dumfries & Galloway European Partnership*

Fionna Henderson *Oatridge Agricultural College*

Dr. Ray Higgins *University of Abertay*

Gillian Hill *Environment Agency*

Kay Hope *Eastern Scotland European Partnership*

Colin Howden *The Scottish Office Education and
Industry Department*

Bill Howie *East of Scotland Water*

Philip Immirzi *Scottish Natural Heritage*

Rosie Irving *West Cumbria & Furness Objective 2*

Archie Jamieson *Fife Enterprise*

R G Jelly *University of Abertay*

Willie Johnson *Fife Enterprise*

Joyce Johnston *Fife College of Further
& Higher Education*

Fiona Jurk *Dundee College*

David Kay *Forth Estuary Forum*

Gordon Keir *The Scottish Office Industry Department*

Sandra Linton *Fife Council*

Andrew Llanwarne *Scottish Enterprise Tayside*

Gillian Lochhead *Scottish Enterprise Tayside*

Sallyann Low *Strathclyde European Partnership*

Ian McAlpine *Coal Industry Social Welfare Organisation*

Ian McCallum *Craigmillar Initiative Ltd*

Maire McCormack *Midlothian Council*

Gerry McDonald *Eastern Scotland
European Partnership*

John McDonald *Falkirk Council*

Dr. Ken Macdonald *Clackmannanshire Council*

Andi Macfarlane *Fife Council*

Prof. Quintin McKellar *Moredun Research Institute*

Alex McKenzie *Cumbria County Council*

Allan Mackie *The Scottish Energy Efficiency Office*

Alistair MacLean *North Lanarkshire Council*

Colin McLean *Scottish Museums Council*

Gordon McLaren *Eastern Scotland
European Partnership*

John McNab *Voluntary Action Resource Centre,
Falkirk*

Wendy Mallin *Oriel Training Services*

John Malone *Glenrothes College*

John Markland *Fife Council*

Ed Marnie *Forth Valley Enterprise*

Dr. I M Marshall *University of Abertay*
David Martin *Stirling Council*
Hilary Maxfield *Sustrans*
Ewan Mearns *Scottish Enterprise*
Allan Millar *Dundee City Council*
Morag Millar *Fife Enterprise*
Jim Millard *The Scottish Office*
Diane Milne *Dundee City Council*
Anne Mitchell *Dundee & Tayside Chamber of Commerce*
Ian Mitchell *Fife Council*
Michael Morris *Fife Euro VTP*
David Murray *West Lothian College*
Gregor Murray *Midlothian Enterprise Trust*
Keith Murray *Heriot Watt University*
Danny Nugent *The National Trust for Scotland*
Irina Orssich *Investitionsbank Berlin*
Steve Parrot *Business Enterprise Scotland*
Alexander Proctor *City of Edinburgh Council*
Alan Rankin *Dundee Industrial Heritage Ltd*
Shane Rankin *East Lothian Council*
Iain Rennick *Scottish Natural Heritage*
Jill Richards *British Waterways Board Scotland*
Nina Rooke *West Lothian Council*
Dr. Phil Say *Natural Capital, Edinburgh*
Ham Sayeed *Dundee City Council*
Ken Shaw *City of Edinburgh Council*
Edgar Shields *Oriel Training Service*
Alan Speedie *Stirling Council*
Gwen Spence *Hotel & Catering Training Co Ltd*
Allan Stewart *Clackmannanshire Enterprise*

Jim Stirling *British Waterways Board*
Archie Stoddart *Energy Saving Trust*
Caroline Storey *East Lothian Council*
Garry Sturgeon *Eastern Scotland European Partnership*
Gordon Summers *Angus Council*
Prof. M T Swanston *University of Abertay*
Alison Sweeney *Eastern Scotland European Partnership*
Keith Tanner *Blackburn College*
John Theaker *Scottish Natural Heritage*
Nigel Thomas *ESEP Senior Programme Manager*
Fiona Thomson *ESEP Programme Manager*
Gillian Upton *Scottish Tourist Board*
Stan Ure *Dundee City Council*
Nigel Wallace *Clackmannanshire Enterprise*
Melvyn Waumsley *Highlands & Islands Enterprise*
Kenneth Wardrop *Stirling Council*
Fergus Waters *Scottish Mining Museum*
Sally Watson *Scottish Council for Voluntary Organisations*
Mark Wells *Scottish Environment Protection Agency*
Alan White *Dundee Industrial Heritage Ltd*
Mac Wilkinson *Craigmillar Initiative Ltd*
Brian Wilson *West Lothian College*
Dr. Keith Winton *Research & Innovation, Edinburgh University*
Sarah Yeats *City of Edinburgh Council*
Graham Young *Highlands & Islands Partnership Programme*
Ian L Young *Midlothian Council*

REFERENCES

The following references were consulted in the course of this Project:

- › Commission of the European Communities 1999 *The Structural Funds and their coordination with the Cohesion Fund: Draft guidance for programmes in the period 2000-06* Working paper of the Commission Brussels SEC(1999) 103 final 3rd February 1999.
- › Eastern Scotland European Partnership 1997 *Integrating Sustainable Development into Economic Development Programmes*: Proposal addressed to the Commission DGXVI under Article 7 of the European Regional Development Fund - Sustainable Development, ESEP, Dunfermline, December 1997.
- › Eastern Scotland European Partnership 1997 *Brief to Consultants to Facilitate the Analysis of and Improvements to the Supported Activities of the Programme in relation to Sustainable Development*, ESEP, Dunfermline.
- › Eastern Scotland European Partnership 1997 *Eastern Scotland: Single Programming Document 1997-99: Objective 2*, ESEP, Dunfermline.
- › Eastern Scotland European Partnership 1997 *Methodology for the Appraisal, Ranking and Selection of Projects 1997 – 1999*, ESEP, Dunfermline.
- › Eastern Scotland European Partnership 1997 *European Social Fund Guidance for Applicants 1998 Part 3 – SPD Summary, ESF Measures and Selection Criteria* ESEP, Dunfermline DATA97\FORMS\ESF\PART3. DOC.
- › Eastern Scotland European Partnership 1998 *1997–1999 Programme Guidance Notes to assist the completion of the European Regional Development Fund (ERDF) Grant Application Form* ESEP, Dunfermline DATA 98/FORMS/ERDF/ERDFGUID.
- › Eastern Scotland European Partnership 1998 *Integrating Sustainable Development into Economic Development Programmes* Interim report, ESEP, Dunfermline, March 1998.
- › Eastern Scotland European Partnership 1998 *The Sustainable Development Project: Consultative Report* Report presented to the Consultative Conference, Dunfermline, November 1998.
- › ECOTEC Research & Consulting Ltd 1997 *Encouraging Sustainable Development through Objective 2 Programmes: Guidance for Programme Managers* Final Report ECOTEC, Birmingham & Brussels.
- › ECOTEC Research & Consulting Ltd 1997 *Sustainable Development and Employment: A Challenge for Objective 2 Regions* Final Report ECOTEC, Birmingham & Brussels.
- › EKOS Limited for Eastern Scotland European Partnership 1998 *Eastern Scotland Objective 2 Programme 1997-99 Programme Baseline and Performance Indicators: Final Report*, October 1998.
- › Engwegen, Jack and McLaren, Gordon, 1998 *Sustainable Regional Development and Community Structural Funds, and the Eastern Scotland Experience* pp87-95 in Gabriel, I and

-
- Narodoslawsky, M (Eds) Proceedings, "Regions - Cornerstones for Sustainable Development" Proceedings of Symposium held Graz, Austria, October 28-30.
- › Environment Agency 1998
Incorporating Environmental Aspects of sustainability into Project design: A Practical Guide for Applicants Produced by the Environment Agency with support from Environmental Resources Management draft.
 - › Environmental Resources Management 1999
Reviewing the Policy Agenda for Regional Development Plans in Scotland – Briefing Note for Plan Teams Paper prepared for SNH.
 - › Environmental Resources Management for European Commission (DGXI) 1998
Handbook for Environmental Appraisal of EU Structural Funds Plans and Programmes May draft report.
 - › European Commission DGXI 1996
The Integration of Environmental Policy into the Structural Funds – the role of the appropriate authorities and the environmental networks EN/11/96/02720000.P00.
 - › Hall Aitken Associates 1998
Environmental Guidance for Objective 5b Programmes: Guidance for Applicants Prepared for SNH and SEPA, December 1998.
 - › McLaren G 1999
Sustainable Development: Aide Memoire Paper for the Scottish Co-ordination Team; ESEP, Dunfermline, June 1999.
 - › Stirling Council Environmental Services 1998
Assessment of proposed Forthside development against ESEP proposed sustainable development core criteria Paper for Consultative Conference, ESEP, Dunfermline, November 1998.

"PROMOTION OF SUSTAINABLE DEVELOPMENT UNDER COMMUNITY STRUCTURAL FUNDS PROGRAMMES":

Participating EU Regions

Allemagne/Germany

<i>Region:</i>	Anhalt-Bitterfeld-Wittenberg
Project:	Förderung einer nachhaltigen Entwicklung von Region auf der Grundlage von der Europäischen Kommission ersteller Leitlinien (ECOTEC-Studie)
Project Sponsors:	Herr Wilfried Köhler, <i>Ministerium für Raumordnung, Landwirtschaft und Umwelt des Landes Sachsen-Anhalt</i> ; Dr Ulla Peters, <i>Stiftung Bauhus Dessau</i>
Consultants:	Herr Dr Volker Kleinschmidt & Herr Ralf-Peter Weber, <i>c/o AIRAIL KG</i>
<i>Region:</i>	Berlin
Project:	Erstellung einer Studie in Bezug auf "Nachhaltige Entwicklung durch Europäische Strukturfonds-Programme in Berlin"
Project Sponsor:	Frau Dr D Brickwell, Frau Solveigh-Krause & Frau Irina Orssich, <i>Investitionsbank Berlin</i>
Consultants:	Herr Dr Nolte & Herr Edgar Göll, <i>Institute for Futures Studies and Technology Assessment (IZT)</i>

<i>Region:</i>	Nordrhein Westfalen
Project:	Untersuchung der Aspekte der Nachhaltigkeit bei dem NRW-EU Programm, Zeil 2, 1997-99
Project Sponsor:	Herr Matthias Fischer, <i>Ministerium für Wirtschaft und Mittelstrand Technologie und Verkehr des Landes Nordrhein-Westfalen</i>
Consultants:	Herr Klaus Sauerborn & Herr Martin Tischer, <i>TAURUS FB IV Universität Trier</i>
<i>Region:</i>	Odermündung
Project:	Überprüfung der Übertragbarkeit und der Praxistauglichkeit der Studie "Encouraging sustainable development through Objective 2 programmes"
Project Sponsors:	Herr Curdts, <i>Amt für Planung und Naturschutz, Landkreis Uecker-Randow</i> ; Frau Rabe, <i>Amt für Planung und Wirtschaftsförderung Landkreis Ost-Vorpommern</i>
Consultant:	Herr Dick Schubert, <i>NOVA BmbH, Köln</i>

France/France
Region:

Project: **Aquitaine**
Projet pilote Aquitaine
"Développement durable
dans les programmes des
Fonds structurels"

Project Sponsors: M. Jacques Brajon, *Chargé
de mission, Préfecture SGAR
Aquitaine*
M. Marc Challeat, *Préfecture
SGAR Aquitaine*

Consultant: M. François Pelon, *PMC
Conseil et Développement –
Bureau de Paris*

Region: **Haute Normandie**

Project: Projet pilote "Développement
durable" Haute Normandie

Project Sponsors: Mme Danielle Lamalle,
*SGAR, Préfecture de
Haute-Normandie*
Mr François Lerat, *Directeur
Régional de l'Environnement,
Préfecture de Haute-Normandie*

Region: **Midi-Pyrénéen**

Project: Projet pilote "Développement
durable," Midi-Pyrénées

Project Sponsors: Mme Monique Dejean-
Servieres, *ARPE Midi-
Pyrénées*

Consultant: Mr Ruggero Schleicher-
Tappeser, *EURES Institut,
Freiburg*

Observer Regions:

Franche-Comté

Mr Sébastien Forest,
*Préfecture de la Région
Franche-Comté*

Nord-Pas De Calais

Mme Elisabeth Etasse,
*Chargée de mission, Direction
du Plan et de l'Evaluation,
Conseil Régional Nord-Pas
de Calais*

Rhône-Alpes

M. Frédéric Bonhoure,
*Direction Environnement et
Energie, Conseil Régional
Rhône-Alpes*

DATAR

M. Georges Ribière,
Conseiller du Délégué, DATAR

Pays-Bas/The Netherlands
Region:

Project: **Groningen-Drenthe**
Duurzame ontwikkeling en
werkgelegenheid - Audit en
aanbevelingen inzake het
doelstelling 2 programma
Groningen/Drenthe

Project Sponsors: Marc Groenewegen,
*Projektmedewerker, Provincie
Drenthe*
Diderik Koolman, *Provincie
Drenthe*
Jelle Wiarda, *Provincie
Groningen*

Consultant: Mireille Wiegman, *NEI,
Rotterdam*

"PROMOTION OF SUSTAINABLE DEVELOPMENT UNDER COMMUNITY STRUCTURAL FUNDS PROGRAMMES":

Participating Regions

Royaume-Uni/United Kingdom

Region: **Eastern Scotland**
Project: Integrating sustainable development into an economic development programme
Project Sponsor: Gordon McLaren, *Eastern Scotland European Partnership*

Consultant: Tim Birley, *Tim Birley Consultancy*
Region: **Highlands & Islands**
Project: Promotion of sustainable development under community structural funds programmes, Scottish Highlands & Islands, Objective 1 area

Project Sponsor: Melvyn Waumsley, *Highlands & Islands Enterprise*
Consultant: Karen Raymond, *ERM*

Region: **West Cumbria & Furness**
Project: West Cumbria & Furness Objective 2 programme 1997-1999: proposal for a sustainable development pilot project

Project Sponsors: Gillian Hill, *Environmental Agency Local European Liaison Unit*
 Rosie Irving, *West Cumbria & Furness European Liaison Unit*

Consultant: Hugh Williams, *ECOTEC*

Suede/Sweden

Region: **Norra Norrlandskusten**
Project: Promotion of Sustainable

development under structural fund programmes - Pilot action Obj 2 Norra Norrlandskusten

Project Sponsors: Ms Annika Andersson, *Norra Norrlandskusten Environmental Department, County Administration of Norrbotten*

Peder Lönneborg, *Environmental Department, County Administration of Vasterbotten*

Ola Röring, *Norra Norrlandskusten Secretariat Obj 2*

European Commission

Overall Project Sponsors: Mr Jack Engwegen, *Directorate D, DGXVI*
 M. Michel Cornaert, *Head of Unit DG XII D1*

Mr Tim Figures, *Desk Officer, Unit D3, DGXVI*

Mme Ilona Braunlich, *Desk Officer, Unité D2, DGXVI*

Frau Christa Mientus, *Desk Officer, Unit D1, DGXVI*

Frau Helga Pellkofer, *Desk Officer, Directorate D, DGXVI*

Herr Günter Raad, *Desk Officer, DG XI B2*

Herr Johannes Wachter, *Unit D1, DGXVI*

Mr Richard Harding, *DG XVI*

Mme Florence Hinceval, *DG XVI*

Mr Mark Gallagher, *DG XVI*

Ms Catherine Wendt, *DGXVI*



Designed and produced by **Navy Blue** Design Consultants Edinburgh and London