Factsheet on Cohesion Policy implementation and performance

Case study regions in the UK

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| **Basic info** | **Wales**  | **Scotland** | **UK** | **Unit** |
| Population [2008] | 3015.8 | 5186.0 | 61571.6 | thous. |
| GDP [2008] | 64663 | 149796 | 1908370 | mln EUR |
| Population [2014] | 3095.1 | 5337.5 | 64351.2 | thous. |
| GDP [2014] | 75976 | 172744 | 2254297 | mln EUR |
| ***Total allocation*** |
| Allocation ERDF+CF 2000-2006 | 915.2 | 923.7 | 8080.4 | mln EUR |
| Allocation ERDF+CF 2007-2013 | 1399.2 | 531.4 | 5928.5 | mln EUR |
| Ratio [period 2007-2013 to 2000-2006] | 1.53 | 0.58 | 0.73 | ratio |
| ***Absorption rates ERDF+CF*** |
| Absorption rate 2000-2006 [final] | 96.2 | 96.2 | 96.2 | per cent |
| Absorption rate 2007-2013 [in 2014] | 71.5 | 72.8 | 75.5 | per cent |

The total allocations across case study regions differ considerably in both programming periods, due to their varying eligibility for EU funding. West Wales & The Valley was the only region eligible for the Objective 1/Convergence funding in both programming periods, while Highlands and Islands had been receiving transitional support during the 2000-2006 period and, subsequently, was qualified as a phasing-out region. Thus, the allocations per capita are even more varied inside the case study regions than between them. For instance, the allocation per capita in West Wales & The Valley was 10 times higher than in East Wales in the 2007-13 period. In the case of Scotland, Highlands and Islands received approx. 3.5 times larger funding in per capita terms than other sub-regions. Also, Wales is the only one of the analysed regions that experienced an increase in total allocations between the two programming periods. By contrast, the Scotland’s allocations diminished by 42%, significantly exceeding the national average of 27% decrease. The absorption rates for 2014 were similar across analysed regions, with both Wales and Scotland lagging behind the national average by approximately 3-4 pp.

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| **Thematic structure** [NUTS-1, 2007-13, ERDF+CF] | **Wales** | **Scotland** | **UK** |
| ***% of allocation*** |
| Category A “Innovative environment”: business support, human resources, IT infrastructure and services, research and technology | 44.5% | 68.0% | 66.0% |
| Category B ”Basic infrastructure”: energy, environment and natural resources, transport infrastructure | 41.5% | 9.6% | 18.9% |
| Category C “Quality of life”: social infrastructure, tourism and culture, urban and rural regeneration | 13.0% | 19.8% | 13.6% |
| ***Rate of absorption [in 2014]*** |
| Category A “Innovative environment”: business support, human resources, IT infrastructure and services, research and technology | 71.5% | 73.5% | 76.9% |
| Category B ”Basic infrastructure”: energy, environment and natural resources, transport infrastructure | 71.1% | 67.2% | 71.0% |
| Category C “Quality of life”: social infrastructure, tourism and culture, urban and rural regeneration | 70.1% | 77.7% | 72.4% |

\* % of allocation does not add to 1, because the “technical assistance” is not included in any of the categories.

The thematic structure of allocation shows a different pattern across analysed regions. Although the Category A, clustering mainly investments in an innovative environment, is a top priority across all the regions, the shares of allocations dedicated to this goal range from 44.5% in Wales up to 68% in Scotland. The Category B plays a relatively important role only in Wales, while allocations to the Category C departs from the national average only in Scotland. The rate of absorption broken down by thematic categories shows a very well balanced spending in case of Wales and, although to a lesser extent, in case of Scotland.

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| **Regional OP** [ERDF] | **Wales** | **Scotland**  | **UK** | **Unit** |
| ***Allocations to Regional OPs*** |
| Allocation 2007-2013 | 1370.7 | 525.0 | 5679.0 | mln EUR |
| Allocation 2014-2020 | 1406.8 | 476.8 | 5825.6 | mln EUR |
| Ratio [period 2014-2020 to 2007-2013] | 1.03 | 0.91 | 1.03 | ratio |
| ***Reported achievements: period 2007-2013 [as in 2013]*** |
| Jobs created | 23649 | 32364 | 150339 | jobs |
| Start-ups supported | 7574 | 12866 | 52759 | start-ups |
| Enterprises receiving financial support | 2627 | 7416 | no data | enterprises |
| Cooperation projects enterprises-research institutions | 983 | 2817 | 7341 | projects |

The Structural Funds implementation system in the UK has undergone a significant centralization over the last two programming periods. In the period 2007-2013 the funds was channelled through 16 regional OPs, while in the 2014-2020 period this number diminished to 6. However, both Wales and Scotland retained their regional OPs, with only a minor change in the allocations. Looking at the reported achievements, relation between the number of jobs created and the programme allocations suggests that Scotland’s OP is very efficient in this regard. A relatively good performance of this programme is confirmed by other reported achievements as well, specifically with regard to number of enterprises receiving financial support.