

Sustainability Appraisal of Regional Development Assistance in Remote Rural Economies: The Case of the Scottish Highlands and Islands

Abstract

By using its Structural Funds to deliver a coherent programme of assistance based on logical principles, the European Union has taken a leading role in strengthening the capacity of the Scottish Highlands and Islands to deliver effective regional development strategies. This paper demonstrates how this has enabled the region to modify its policies, plans and programmes to satisfy the growing emphasis being placed by the European Union on the sustainability of its development assistance. Parallel progress at United Kingdom, Scottish and local levels is helping to create a more focused range of development initiatives for the area, which are being shaped to respond to local community needs, and being assessed for their contribution towards the goal of sustainability. Taken together, these changes amount to the start of a paradigm shift in policy-makers', planners' and programme managers' perception and appraisal of regional development in the Highlands and Island, moving them away from a predominant concern with ad hoc, often short-term, boosts to jobs and training, towards initiatives designed to implement long term strategies capable of delivering sustainable pathways for the area.

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Development Assistance in the Scottish Highlands and Islands

The European Council of Ministers decided on 20 July 1993 to classify the Highlands and Islands of Scotland (HIS) as an area eligible under *Objective 1* of the European Union (EU) Structural Funds. This source of funding is directed towards promoting the development and structural adjustment of regions where development is lagging behind ('lagging regions'), and offers access to all the various EU Structural Funds (European Regional Development Fund, European Social Fund, the Guidance section of the European Agricultural Guidance and Guarantee Fund, and the Financial Instrument for Fisheries Guidance). Objective 1 areas accounted for two-thirds of the total funding made available during the 1994-99 round of EU regional assistance, with the HIS share amounting to €324 million. Prior to this, the area was receiving EU Structural Fund assistance under *Objective 5b*, targeted towards facilitating the development and structural adjustment of rural areas. Since 2000, HIS has been downgraded as part of a reformulation of EU regional policy but is still in receipt of transitional Objective 1 assistance from the EU under a 'special' programme.

The enhanced status of EU development assistance for the HIS between 1994 and 1999 has been accompanied by a strengthening of local capacity to deliver regional development programmes within the area in ways which are designed to meet EU Structural Funds policy objectives. As outlined in the next section, these EU regional and spatial policy objectives have brought into sharper focus the national, territorial and local instruments for publicly funded development assistance also available to the HIS. Much of the HIS is also an assisted area in terms of UK Regional Selective Assistance (RSA). Although the UK government determines the terms of eligibility for RSA, its proposals have to be agreed with the European Commission (EC). The result is a pattern of UK assisted areas that dovetails with the EU areas of regional assistance.

Prior to the establishment in 1997 of a devolved Scottish Parliament and Executive, the Scottish Office administered RSA within Scotland on behalf of the Department of Trade and Industry in London, which determined eligibility and set the limits of such assistance. Although devolution has given the Scottish Executive direct control over the bulk of Scottish public expenditure, the form and level of such regional assistance remains a power reserved to the UK government. The overall level of RSA available to assisted areas in Scotland continues to be pre-determined on a UK basis, but applications for such assistance are handled, as before devolution, at a Scottish ministry level. In this way, despite the various levels at which regional development assistance is administered, EU regional policy objectives have permeated through and become the driving factors operating the system of regional aid administered by the various organs of UK central government.

Reinforcing this situation, the two other sources of regional assistance to which the HIS has access also operate in ways which allow them to dovetail into EU programmes of regional assistance. Scottish local authorities (LAs) have permissive powers to provide assistance to industry within their boundaries. However, given the tight financial constraints they face, nowadays they act mainly as facilitators of development assistance, offering advice and guidance on other funding sources to potentially eligible applicants, at the same time where appropriate serving as one of the partners in the administration of EU regional programmes of assistance.

Much of Scotland has been categorised as eligible for some form of EU regional aid in recent years, and this has acted as a catalyst for Scottish LAs to establish units to seek out EU funding for local projects. Such units have allowed the economic development services within Scottish councils to access this important funding source either for their own projects or for other clients seeking such assistance. Success in tapping into EU regional assistance will also normally ensure

access to RSA. As a result, Scottish councils as a whole, and especially those within the HIS, IS HIS tend to view the whole process of obtaining regional funding available from various public sources as a seamless robe, and so normally apply development criteria in their policies, plans and programmes which will satisfy EU regional objectives.

The other significant source of public development assistance available in Scotland is provided by statutory development agencies that are directly funded by the Scottish Executive out of its block grant. These agencies report to the Scottish Executive, which has a reasonable degree of autonomy in determining their policies and funding levels, provided that the approach taken is not seen to conflict with the overall UK pattern of regional assistance. The current system was created in 1989 to replace the two extant Scottish agencies (the Highlands and Islands Development Agency and the Scottish Development Agency), which had responsibility for providing a range of assistance to industry in their areas, with new bodies which took on a wider remit to include publicly funded training and environmental improvement programmes, and operated on a more devolved local basis.

The agency for the HIS, Highlands and Islands Enterprise (HIE), covers the whole of the region. As **Figure 1** indicates, while operating its network functions from an Inverness headquarters, HIE allocates the bulk of its budget to ten separate local enterprise companies (LECs), located across the area. Many of the HIE LECs include communities deemed to be 'fragile' (i.e. highly vulnerable and suffering from serious economic and social difficulties). These local agencies deliver programmes of enterprise assistance, training and environmental improvement in their own areas on the basis of network-approved business plans. The HIE network is responsible for ensuring that each LEC discharges its responsibilities in ways that fulfil the overall network development objectives. These objectives are closely tied in to the EU Structural Funds objectives, both because the EU regional programme offers a major source of additional funding complementing HIE's own budget, and also because HIE is itself one of the partners in the administration of the HIS EU Structural Funds regional programme of development assistance.

The role of the EU Structural Funds Programme in the delivery of regional development to the HIS

These complementary programmes of public development funding available to the HIS have become increasingly linked into the EU Structural Funds in recent years. In part, this is because of the growing relative importance of this source of funding to the HIS at a time when resources made available through UK national regional assistance have been severely constrained. More fundamentally, the lead provided by the EU in formulating and defining the objectives of regional assistance within the HIS also reflects the EU's greater stress on regional objectives and its determination to underpin these with coherent EU spatial policies.

The greater stress on regional policy at a European level is largely a consequence of the wider economic disparities facing the EU as a whole compared with the UK, and its desire to ensure increased cohesion of the national and regional economies within EU boundaries. Peripherality is regarded as a particular problem facing the EU. Evidence has been produced by EC that the freeing of internal trade within the EU poses a severe threat to the backward economies of peripheral regions such as the HIS (CEC, 1990; CEC, 1999a). The Single European Market (SEM) has removed much of the remaining protection formally accorded to large numbers of uncompetitive micro-businesses that characterise such regions, and leaves them unable to compete with the large multinational businesses located in the more prosperous core regions of the EU. The creation of the Euro-currency area will exacerbate such vulnerability.

The conclusion drawn by the EC from such research is that programmes of assistance are vital for lagging EU regions. The HIS provide a good test of EU regional policy in this respect, as **Table 1** indicates. Although covering 50% of Scotland's total land area, the Highlands and Islands account for only 7.2% of its population. Its population density, at 9.5 persons per square kilometre, is one-seventh of the Scottish average and one of the lowest in the whole of the EU. The region suffers both from peripherality and sparsity of population, which together not only isolate it from the major markets of the EU, but also present similar problems for communities within the region itself. There is over-dependence on primary activities, and limited access to modern financial and business services along with a predominance of non-diversified small and medium sized enterprises (SMEs). Set against these problems, the area offers a natural and built environment and culture which supports a major tourism sector, along with emerging knowledge-based industries and important extractive activities such as forestry, fishing and hydrocarbons. However, many of the benefits of new and growing development are not spread evenly across the HIS, leaving some areas in much greater need of assistance than others.

Because it is a coherent response to the challenges of promoting European integration, the EU's approach also incorporates a more rational application of regional policy instruments, which contrasts sharply with their pragmatic operation by successive UK national governments. Changes in political priorities within the UK have seen wide variations in both the scope and level of regional assistance at national level over the past few decades. Since 1997, the advent of a national government intent on realising devolution within the celtic territories of the UK has given added impetus to the development of spatial strategies in these jurisdictions, and has reinforced the need for an administrative structure within the English regions that is capable of accessing EU assistance. This has been a driving factor in the establishment of government regional offices in the English regions (Shutt & Colwell, 1997).

The revival of local capacity within the UK for implementing regional policy can largely be traced to the growing significance of EU programmes, especially those targeted towards lagging peripheral areas. It follows that the character of UK development assistance has also increasingly become coloured by the principles underpinning the use of EU Structural Funds. The remainder of this section outlines these principles, while the following sections outline how the use of various tools designed to deliver sustainable development programmes within such areas, which taken together have come to be termed sustainability appraisal, has developed largely as a consequence of EU initiatives.

Reform of the principles underpinning EU regional policy, along with a substantial growth of financial allocations to the EU Structural Funds, occurred during transition to the SEM. 1989 saw the establishment of a radical new system for the delivery of regional assistance based on six key principles:

- Concentration of assistance
- Co-ordination
- Partnership
- Subsidiarity
- Programming
- Additionality.

Concentration of assistance refers to the need to focus available resources on the EU's most disadvantaged regions. Eligibility for Objective 1 assistance is confined to those regions with an

average Gross Domestic Product per head no more than 75% of the EU average, and these areas attract the bulk of EU regional funding. As **Table 1** indicates, the HIS as a whole barely met this criterion during 1994-99, although it has been argued that real GDP per head for the area is around 70% of the EU average and artificially inflated by statistical quirks (HIPP, 2000, para.2.10.4). If the most prosperous part of the mainland area of the HIS (Inverness and Nairn) and the Western and Northern Isles are removed, the remaining 60% of the population of the region has a GDP per head which is only just over 50% of the EU average.

Co-ordination refers to the need to ensure that various state aids do not work in contradictory directions. There are two principal concerns in this respect. Firstly, the EU must ensure that all its various financial instruments and Structural Funds are co-ordinated to meet common objectives. Secondly, the EC applies EU competition policy regulations to prevent individual Member States from using their own regional subsidies in ways that would unfairly distort EU trade.

Partnership is a central tenet of EU programmes of regional assistance. The intention is that EU assistance should be fully integrated into existing patterns of support for under-performing regions. This means that all such EU programmes are managed by a locally based partnership drawing on the national administration, development and environmental agencies, regional government offices, local councils, educational and training institutions and representatives of the voluntary sector of the eligible areas (Roberts, 1998). This approach also complements the EU principle of *subsidiarity*, which entails the decentralisation of power to the lowest tier of government compatible with efficient policy delivery.

The development of the *programming* method for delivery of EU Structural Funds has become the principal mechanism for bringing about subsidiarity, while at the same time encouraging co-ordination and partnership. The programming approach is also the major practical innovation in the delivery of regional assistance within the UK in recent years (Roberts & Hart, 1996). Instead of traditional project-by-project assistance commonly provided to an area for individual initiatives or investment proposals, since 1989 most EU assistance has been delivered through an integrated and comprehensive package of measures, targeted to a prior assessment of need. These plans have to be created in advance of spending authorisations, and must be submitted to and approved by the European Commission. They are designed to incorporate within what is termed a Single Programming Document (SPD):

- an economic and social analysis of the region
- a clear strategy (development plan) broken down into a set of priorities for action that accords with EU priorities
- a set of targets by which the execution of the programme can be judged, and
- an environmental impact assessment of the strategy.

Each priority for action is in turn linked to a detailed set of measures. These indicate how the priority can be attained. Applying this framework, guidance is then offered on how bids to access the relevant funds will be assessed. The SPD also serves to demonstrate how EU Structural Fund assistance will be combined with financial assistance made available through the national, regional and local partners involved in the delivery of programmed support to the area. In this sense, the SPD approach can be considered a form of decentralised regional economic planning, which is driven by recipient areas, subject only to compliance with EU Structural Funds development priorities. As a result, despite assuming only a limited direct role in the delivery of

regional aid, the EU can effectively promote its own agenda on a much wider scale at local and regional levels.

Additionality, the final principle underpinning the EU's approach to regional policy, reinforces the programming approach by aiming to ensure that the use of Structural Funds supplements rather than replaces domestic sources of aid. The principle requires co-financing of individual measures, with EU commitments limited to a specific proportion of overall spending. For the Highlands and Islands Partnership Programme (HIPP) this has meant that over the period of the 1994-1999 programme the £223 million disbursed through the Structural Funds has supported a gross expenditure of £700 million in the HIS, equivalent to some £1,890 per resident (HIPP, 2000, para.7.2.3). In an effort to ensure that displacement is minimised, the EU has steadily expanded its monitoring procedures for the SPD. Regions in receipt of such aid must now not only have comprehensive local development programmes integrating the efforts of all the development partners in their area. They must also provide the infrastructure to check that these programmes are fully appraised beforehand, and monitored and evaluated during and at the completion of delivery.

Promoting sustainable strategies within programmes of regional assistance for the HIS

Sustainable development is currently defined by the UK government as: "social progress which recognises the needs of everyone; effective protection of the environment; and maintenance of high and stable levels of economic growth and employment" (DETR, 1999a, p.1). Such a definition is only one of a number of interpretations of an approach that aims to deliver improvements in economic and social conditions which are within the carrying capacity of the environment. That this should be considered feasible is itself characteristic of what some (e.g. Neumayer, 1999) have termed 'weak' sustainability: the belief that with the use of appropriate policies and technology there need be no trade-off between socio-economic improvements and ecological integrity. Also termed 'ecological modernisation', this is the current policy paradigm driving EU sustainability objectives, as epitomised by the Fifth Environmental Action Programme (CEC, 1993; Jackson & Roberts, 1999a; Jackson, 2000).

In essence, any interpretation of sustainable development must focus on a region's ability to deliver sustainable improvements in economic and social welfare, having regard to equity between groups, across space and over time, in ways which do not compromise the long term viability of environmental sources and sinks. As the World Bank has demonstrated (World Bank, 1997), a necessary (but not sufficient) condition for sustainable development so defined is that any economy should generate levels of 'genuine' savings adequate not only to maintain and replace its stock of reproducible capital but also to make good losses of natural capital stocks associated with environmental degradation and resource depletion.

Resource based economies such as the HIS are likely to have difficulty in meeting even this necessary condition for sustainability, since much of the economic base supporting such communities relies on extracting and exporting stocks of natural assets. Historically, this has frequently been associated with a loss of local control over such assets and an outflow of profits and tax revenues, making it difficult for the affected communities to maintaining a local asset base sufficient to reinvest and allow diversification into more sustainable activities. The HIS has a long history of resource depletion and exhaustion, of a scale sufficient to prompt one eminent authority (Darling, 1955), arguing from a 1940s perspective, to claim that the modern 'devastated landscape' demonstrated the ecological results of centuries of unsustainable development (for a more balanced appraisal, see Smout, 1997). In any event, what the HIS offers today is certainly not a pristine 'natural' environment, but one – however beautiful - which reflects many

generations of exploitation by individuals and institutions that until recently paid limited regard either to ecological carrying capacity or to the long term economic, social or cultural viability of the communities using it.

A regional strategy suited to the sustainable development of such an area will need to address resource problems affecting crofting (subsistence farming), fishing, forestry, quarrying and mining activities, and the role of large estates operated for recreational pursuits. It will also need to deliver infrastructural improvements in water and sewerage, waste management, and transport suitable for a low density, highly dispersed and isolated set of rural communities. Over 100,000 of the region's population lives on around 90 inhabited islands, with 65 of these having fewer than 500 residents. Virtually all the area is more than a two hour drive from a population centre of more than 100,000 people. The strategy must at the same time be capable of reconciling these local priorities with national energy priorities, since the area provides much of the land based infrastructure and supply base for the present North Sea oil and gas industry (offshore returns to which are not included within the HIS regional accounts).

What has been achieved to date to this end can be reviewed at two levels. Firstly, there is the work that has been undertaken within the EU Highlands and Islands Partnership Programme (HIPP) itself, which is considered in the next section. Complementing this are a number of other initiatives being undertaken by some of the HIPP partners, intended to improve the sustainability of parallel development and land use policies, plans and programmes (PPPs) for the area. These are considered in the following section.

Integrating sustainability into the HIPP Development Plan for 2000-2006

External consultants undertook an environmental assessment of the 1994-1999 Objective 1 programme for HIPP. Their report (ERM, 1996) indicated limitations in the capacity of the programme to deliver sustainability which were common to many of the other EU regional programmes (Keller, 1997; Clements, 2001). There was clearly a need to improve the situation in the design and delivery of the following programme. As part of its preparation for the 2000-2006 funding round, HIPP took the opportunity to participate in an EC funded sustainable development initiative. This set up pilot projects in a dozen EU programmes, the rest of which were in Objective 2 areas, to consider how sustainability could be better integrated into such assistance, applying guidance provided through EC consultants (ECOTEC, 1999a).

The impetus for this increased emphasis on sustainability of the EU regional programmes can be traced to the 1997 Treaty of Amsterdam, which included a new Article (6) stipulating that environmental protection requirements must be "integrated into the definition and implementation of Community policies and activities... in particular with a view to promoting sustainable development". New Regulations governing the 2000-2006 round of funding for the Structural Funds have been seen as one of the principal ways of delivering such an aspiration. The guidance provided to the participants in the sustainable development project set out various stages towards attainment of fully a sustainable development strategy, and the kind of actions associated with each of these stages (summarised in **Table 2**), along with a set of sustainability criteria for project appraisal. Programme managers were invited to consider how their own SPD compared when measured against this framework. Final reports from the two Scottish participants were produced in 1999 (ESEP, 1999; ERM, 1999).

The ESEP report was published slightly ahead of the one for HIPP and made a greater attempt to incorporate the ECOTEC approach into new programme planning and appraisal criteria. By the time that the HIPP final report was ready, it had already become apparent that the initial EC

guidance would have to be supplemented. Drawing on the findings of both Scottish pilots, the HIPP report concluded that the three ECOTEC pathway stages and sixteen areas of action:

- followed too closely on environmental considerations, with inadequate reference to the economic and social aspects of sustainability;
- suffered from a degree of overlap between the environmental considerations themselves; and
- provided insufficient guidance and specific analytical tools to assist regions in planning future programmes (ERM, 1999, para.3.2.1).

Instead of attempting to squeeze its current procedures into such guidance by applying purely a top-down approach, the HIPP pilot project sought to complement this by a major effort to incorporate a bottom-up element. Extensive consultations were undertaken with local communities across the region, applying a structured framework of issues dealing with the local aspects of sustainability that can be regarded as an attempt to undertake what has been termed a 'community sustainability audit' (Walter & Wilkerston, 1998). A series of local and regional workshops involving a wide cross-section of local community representatives used working papers on the issue to develop their own sets of aspirations for sustainability. As **Table 3** indicates, these were then organised into an over-arching set of six regional aspirations, for which project selection criteria were identified. Each regional aspiration was linked to the relevant local sustainability objectives.

Taking the results of these pilot studies on board, the EC issued new guidance on integrating sustainability into Structural Funds programmes (ECOTEC, 1999a), in time for the preparation of the next round of regional SPDs. The 1999 guidance starts by reviewing the experience of delivering sustainability through EU regional programmes to date. The consultants reached three broad conclusions on this that led them to reject any attempt to apply a simple additive method of evaluating the impact on sustainability created by EU regional development programmes. These were that:

- very little appropriate data about integrating sustainability objectives were readily available, and the teams managing both the overall regional programmes and the individual projects within these were reluctant to collect large additional amounts of data;
- the lack of data, together with the likelihood of double-counting or missing any synergies involved, made it unrealistic simply to add together the monitoring data generated by individual projects to provide an overall assessment of each programme's impact on sustainability;
- since in most cases EU programmes were only one of a number of major influences on the area, it was infeasible to attribute sustainability outcomes with any degree of certainty specifically to the programme itself (ECOTEC, 1999a, p.24).

The new guidance recommends that rather than attempting to score a programme for its inherent sustainability, programme managers should be asked to apply a set of appraisal tools which will focus attention on such aspects. The three principal tools are:

- an integrated economic-environmental SWOT analysis of the area;
- a development path analysis designed to rank projects within the programme in terms of ascending sustainability;

- a matrix for measuring the impact of the SPD against a set of key environmental criteria ('indicators') to be monitored locally.

In essence, these recommendations amount to what has come to be termed 'strategic environmental assessment' (SEA) or more broadly 'sustainability appraisal' (SA) of PPPs, the function of which is further discussed in the following section.

The new HIPP Development Plan for 2000-2006 (HIPP, 2000) applies these techniques. **Table 4** summarises the four priorities and twenty-one measures around which the programme is to be designed. When it was in draft form, the Plan was subject to the EC requirement for an independent *ex ante* evaluation (ECOTEC, 1999b), which included an assessment of its ability to meet EU sustainability priorities. The *ex ante* evaluation applied the recommended development path analysis, focused as indicated in **Table 5** on expenditure heads for the four strategic priorities (the original also makes some attempt to break these down into the twenty-one measures). This indicated that while some 44% of Structural Funds expenditure is estimated to be committed to higher level sustainability objectives (improved resource efficiency of existing activity and new activities using fewer environmental resources), 40% was being committed to activities which would have little positive impact on raising environmental performance ('business as usual').

The Plan itself includes a series of environmental, sectoral and area SWOT annexes, and a summary sustainable development matrix. As **Table 6** indicates, the matrix offers a broad indication of the interaction between the sustainable development pilot project strategic aspirations set out in **Table 3** and the delivery of the new Plan's strategic objectives. The main innovation, however, is to be found in the Plan's modified approach towards the delivery of sustainability measures. This concludes that 'top-down' or 'region-wide' sustainability initiatives are inappropriate for the area, because of the variety of local circumstances present. It goes on to argue that in the light of the findings of its own sustainable development pilot project (ERM, 1999), "a combination of planning, delivery, monitoring and capacity building activities should be undertaken to support more sustainable use of the funds" (HIPP, 2000, para.4.9.1), based on a system of area-targeted prioritisation and enhanced project selection and appraisal criteria.

It is too early to assess how effective any new HIPP project criteria incorporating sustainability will be in identifying and promoting appropriate projects. However, one can make some assessment of the efforts being made to target the new round of HIPP development assistance towards communities in greatest need. As the *ex ante* evaluation of the 2000-2006 Plan observed: "the Plan team consider that area targeting should be a stronger feature than in the [1994-1999] Objective 1 programme, and that relative needs between areas should be explicitly acknowledged" (ECOTEC, 1999b, p.3).

Figure 2 illustrates the processes at work in this respect within the new Plan. Each of the HIS community areas is given a score on two counts: development need, and the prospect of realising this without development assistance. The result is a prioritisation of remote rural areas, highlighting those communities considered most 'fragile', or most in need of regeneration. Fragile areas are characterised by a number of factors, including:

- weakening of communities through population loss
- low incomes
- limited employment opportunities
- poor infrastructure

- inadequate housing
- remoteness.

According to the Plan, such areas “are currently given high priority by Programme partners, with support targeted at projects that contribute to the development of sustainable communities” (HIPP, 2000, para.6.5.2).

Regeneration areas targeted for extra assistance are communities facing sudden or threatened shortage of employment opportunities as a result of major closures or an economic shock to a key sector. Priorities for these areas are to offer both new local employment opportunities to offset high localised rates of un- and non-employment and consequent out-migration, and to encourage the acquisition of new skills amongst the local workforce. Current regeneration areas in the region include Caithness, East Ross and Kinlochleven.

It might appear self-evident that such targeting is a necessary requirement for the delivery of sustainable development in an area as diverse as the HIS. This is, after all, merely a micro-level application of the overall targeting of regional assistance championed by the EC which has given the whole region preferential access to development funds. However, the issue of enhanced targeting of assistance during the new funding round remains to be tested in delivery, and the Plan itself highlights a key requirement in this respect:

“The deployment of an area targeting mechanism within the Programme will require partners in the first instance to recognise the desirability of bringing forward projects to benefit the areas of high priority” (HIPP, 2000, para.6.5.5)... “The approval of Structural Funds assistance to the differing parts of the area will in turn be monitored by the Programme Monitoring Committee to ensure that the Area Priorities are being addressed in a balanced way” (*ibid.* para.6.5.6).

The intention is to use the project appraisal system of the new programme to give weight to the contribution that both individual projects and generic schemes make to the Area Priorities. This has happened to only a limited extent during the 1994-1999 funding phase of HIPP. It is helpful to the case for greater emphasis on area targeting that one of the main HIPP partners, HIE, is itself currently applying a targeting procedure in allocating its own budget, as **Figure 3** demonstrates. The formula allocating the HIE budget between its LECs:

“operates on the principles of inclusion and balanced development. The classification of fragile and regenerative areas by the Network allows resources to be focused on bringing forward projects in remote communities and in those communities facing a sudden or threatened loss of employment opportunities. A simple formula, which takes account both of the population base of each area and of the level of need associated with identified fragile or regenerative areas, is each year used as a guide when allocating budgets to the LECs” (HIE, 2001, p.6).

Central government has recently reinforced the use of targeting at a regional level by the channelling of additional resources from central government sources. For certain communities within the programme’s fragile areas that are particularly threatened by depopulation and decline, an extra initiative had been established. Under this, the Scottish Executive, HIE and HIPP are promoting an integrated approach to economic and social development based on locally formulated plans. The pilot areas for what has been termed ‘Initiative at the Edge’ are in the Western Isles, Sutherland, Lochaber and Argyll. There are parallel initiatives in some of the other areas of the HIS, in which the Scottish Executive ‘Community Planning’ approach is being pursued. This is discussed in the following section.

Parallel sustainable development initiatives in the HIS

A number of other important sustainability initiatives are currently being undertaken in the HIS. Although not included within the HIPP SPD itself, they are nevertheless designed to enhance the sustainability of development planning for the region. Some of these involve the statutory Scottish land use planning system, which serves as the gate-keeper checking that specific development applications conform with planning policies. Under the approach taken towards environmental protection in the UK, planning authorities under the guidance of the Scottish Executive Development Department serve as the competent bodies in enforcing EU Directives on environmental assessment. Other parallel initiatives involve the use of new techniques to monitor and evaluate the delivery of development programmes provided by the two Scottish enterprise networks. Still others offer what Lloyd and Illsley (1999) have termed community-based 'reticulism', the establishment of decision-making networks to overcome jurisdictional boundaries that impede effective responses in the local delivery of sustainability. This section briefly reviews each of these complementary processes.

The first demonstrates the increasingly common application of what used to be termed 'strategic environmental assessment' (SEA) of policies, plans and programmes (PPPs) designed to deliver local and regional land use development strategies. The term 'sustainability appraisal' (SA) has now been substituted for this, to emphasise the broader perspective needed in promoting sustainable development, in response to criticism that central government was neglecting its responsibilities to the environment (DETR, 1998). PPG12 for England and Wales (DETR, 1999b) acknowledges that "sustainable development is not limited to environmental concerns" and that "the same methodologies used for environmental appraisal can be developed to encompass economic and social issues" (para.4.16). The Department of the Environment, Transport and the Regions has provided guidance on such procedures for the new English regional planning bodies (DETR, 1999c; Counsell & Bruff, 2001).

Following similar Scottish guidance (SEDD, 1999a; 1999b; 2000), a number of HIS LAs have undertaken such appraisals of their own statutory land use development plans (Tyldesley, 1995a; Orkney Islands Council, 1995; Moray Council, 1998; Highland Council, 1999). The most recent Scottish Executive guidance states that:

"Development plan policies should address sustainable development at the local level whilst reflecting national and international goals. Both the short-term and the long-term consequences of policies must be considered at the outset. Planning decisions should favour the most sustainable option, promoting development that safeguards and enhances the long term needs of the economy, society and the environment" (SEDD, 2000, para.19).

The guidance goes on to point out that a "significant number" of projects in Scotland have been undertaken with support from EU Structural Funds, and that "close liaison" is important between planning authorities and EU regional programme management executives in these areas. Part of such liaison is seen as the provision of up-to-date land use development plans designed to offer a locational framework for the delivery of EU regional assistance, and to tackle issues as they arise in ways that ensure that both sets of plans operate in a complementary fashion (*ibid.* para.22).

The arguments in favour of a strategic appraisal of the environmental impacts of land use development have long been supported by the EC, which is in the final stages of steering an EU Directive on SEA through the EU (Glasson & Gosling, 2001), designed to complement the existing Directives on environmental impact assessment (EIA). Constructive critics of the application of EIA have argued that it fails to address the bigger picture behind individual

development projects, and that in many cases by the time the specific application is considered the options available to the public sector decision makers are too tightly constrained because of prior decisions about the overall strategic direction of development. It is these strategic options which are the target of such appraisal techniques, widened under SA to include options with regard to social inclusion, employment, economic growth, training and education.

This approach has an obvious resonance in the HIS, given the nature of the problems that must be addressed in any regional development PPPs for the area. The UK planning system subjects all applications for change of land use to a plan-led system of development control. For each area in Scotland, the local land use development plan for each community is underpinned by a strategic 'structure' plan, which is designed to ensure a coherent overall approach to land use for the area as a whole. Both the local and the structure plan are subject to public examination and inquiry before being approved by central government. One aspect now required of new structure plans is that these are expected to include an SA.

The basic principle of such an exercise is the application of an "explicit and systematic process" (*ibid.*, para.1.1) to assess the sustainability impacts of the plans, policies and proposals contained in any Scottish land use development plan. The DETR proposals offer a succinct definition:

"A sustainability appraisal can be defined as a 'systematic and iterative process undertaken during the preparation of a plan or strategy which identifies and reports on the extent to which the implementation of the plan or strategy would enhance the environmental, economic and social objectives by which sustainable development can be defined in order that the performance of the strategy and policies is improved'" (DETR, 1999c, p.9).

Table 7 summarises the current best practice guidance for Scottish planning authorities in this respect, which emanates from an initiative of Gordon District, undertaken before local government reorganisation saw it absorbed into a single tier Highland Council. In engaging consultants to undertake an SEA of its draft new Local Plan for the area (Tyldesley, 1995a), the council also took the opportunity to bring on board Scottish Natural Heritage and the then Scottish Office, to ensure that the exercise would also generate an environmental appraisal methodology for Scottish development plans (Tyldesley, 1995b).

The *scoping of aims* considers whether the general thrust of the Plan meets the objectives of sustainability. It is suggested that a matrix of the form used by HIPP (**Table 6**) should be applied. Following this stage, depending on whether the Plan is a local or structure one, an appraisal should be undertaken of whether the *locational principles or strategy* are compatible with the sustainability criteria. Given that in most cases the scoping of aims has already demonstrated that these meet the sustainability criteria, this stage is often reduced to assessing whether the principles or strategy in the Plan adequately meet the Plan's aims.

The next stage is to check whether the Plan covers a full range of *policy issues* affecting sustainability. This is normally achieved by drafting a list of all sustainability issues which could be addressed by policies in a land use development plan, and applying another matrix to check these off against their coverage in the Plan. This then allows a more detailed appraisal of any *specific policies* which have been identified as having serious implications for sustainability, and the direction of their impact (towards or away from sustainability, or uncertain). For local plans, this leads on to a final disaggregation of the effects of specific locational proposals on the same basis.

An essential element of an SA is to determine how the impacts on sustainability of a development plan will be *monitored*. This raises the challenging methodological issue of how to discern the influence of such plans from other influences at work in the area. One element of monitoring suggested is the extent to which there is adherence to policies promoting sustainability and environmental protection (e.g. effects on nature reserves and bio-diversity, state of pollution of watercourses and beaches). In addition, specific monitored targets can be set for aspects of sustainability within the direct influence of land use plans (e.g. policies and proposals should not lead to an increase of x% in the use of greenfield land). Finally, as a measure of the general state of sustainability within the area, which offers a health check of the overall effectiveness of land use planning, a set of indicators of sustainable development (SDIs) can be applied. These are considered in further detail later in the section.

Land use development plans do not themselves actually entail the management of new developments. By contrast, HIE and Scottish Enterprise LECs manage substantial portfolios of development projects for which a system of appraisal, monitoring and evaluation is required, preferably in a co-ordinated fashion capable of being used by each network as a strategic planning and reporting tool. Several attempts have been made in recent years to fashion suitable instruments to this end (see, for example, Jackson, 1998). Roberts *et al* (2001) report the results of a recent effort to integrate sustainability indicators into such procedures.

Figure 4 illustrates the use of what are termed ‘influenceable’ indicators, under the control of the LEC, to set targets and track achievements in the delivery of sustainable objectives. These are the operative criteria for delivery of sustainability within the organisation, but are run alongside a set of ‘contextual’ indicators that are designed to enable the broad strategic goals for regional development in the area to be monitored for their impacts on sustainability. Since these broader goals, especially in the HIS, will normally involve collaboration with partners engaged in development assistance, this mechanism provides an agreed means of linking efforts by individual agencies into an overall assessment of the sustainability impacts of all such regional assistance. **Table 8** offers an example of what the print out of such a set of indicators might look like, when superimposed on the strategic objectives of the development agency.

This approach is intended to complement the ‘bottom-up’ emphasis on the delivery of sustainability in an area such as the HIS. It recognises that a large part of the problem faced when organisations attempt to assess the effectiveness of the delivery and targeting of their efforts at sustainability through the use of indicators “are the result of attempting to impose from the ‘top down’ a standard set of indicators that do not match the characteristics and meet the requirements of an individual place or organisation” (Roberts *et al*, p.119). Rather than a traditional ‘one-size-fits-all’ methodology, this technique is aimed at delivering ‘made-to-measure’ tools for sustainability appraisal and evaluation.

In Scotland, the promotion of ‘Community Planning’ as a means of corporate territorial management of resources fits neatly into the above methodology. The introduction of Community Plans is intended to address gaps in the sustainable management of local resources, by bringing together the strategic aims of LAs, development agencies and other local public sector agencies and community organisations. It has been argued that community planning should be of particular value in achieving consensus and co-ordinated action in delivering sustainable development at local level, because the approach: “represents an attempt to provide a strategic framework for the activities of the multifarious institutions engaged in community capacity building and regeneration” (Lloyd & Illsley, p.181).

A number of the LAs have now published their own Community Plans (COSLA, 2000). These are intended to provide the 'joined-up government' at local level necessary to ensure that sustainability is promoted amongst the diverse communities of the area. They also put into context various related initiatives, such as the Estuary Forums, designed to promote sustainable safeguards for the area's major estuarine habitats.

Future directions for the sustainability of regional development assistance in the HIS

This paper has concentrated on tracing how the leading role assumed by the EU regional programme in the HIS has promoted increased emphasis on the sustainability appraisal of such development assistance, not just within the HIPP, but also by the other partners in the area with development responsibilities. No attempt has been made to evaluate the effectiveness of these new approaches. The goals contained within the three elements of sustainability, incorporating environmental, economic and social targets, can obviously come into conflict, and satisfactory ways reconcile such conflicts have yet to emerge. Ways will have to be found of developing a common metric to this end which can supplement and where necessary substitute for the standard GDP measures (Jackson & Roberts, 1999c).

Nevertheless, the progress made to date in areas such as the HIS deserves wider recognition, since it is only recently that the UK could be used to illustrate poor practice in this respect, as a leading authority argued at the start of the last decade:

“the policy process has been characterised by a lack of strategic vision or formal procedures for approving strategic decisions. Traditional British practice of policy formulation and implementation have often been described as *ad hoc* and discretionary, without provision or opportunity for adequate review of the wider implications of policy adoption and strategic choice... The result of the incremental nature of British policy-making and of (for the most part) the lack of an identifiable environmental policy as such, has been to inhibit the opportunities for incorporating environmental impact assessment into policy-making and decision-making” (Therivel *et al.*, 1992, pp.31-32).

Although there is still much to be done, the progress in this respect over the past decade within one of the most fragile regions of both the UK and the EU is praiseworthy. It is now necessary to undertake the work required to monitor and evaluate such progress, in order to identify areas of best practice and ways in which assistance can be made more effective in delivering sustainability. By 2006, the transitional special programme of EU assistance available to the HIS will have come to an end, and claims on Structural Funds from new Member States make it unlikely that a similar opportunity will present itself to the region in the foreseeable future. At that stage, whether or not the region is part of the Euro currency area, it will find itself in direct competition with many much poorer and under-development European communities. The chance must be taken now to incorporate a robust set of procedures based on sound methodology that can continue to deliver sustainable development for the Scottish Highlands and Islands after external funding becomes constrained, and the regional economy becomes exposed to harsher economic conditions.

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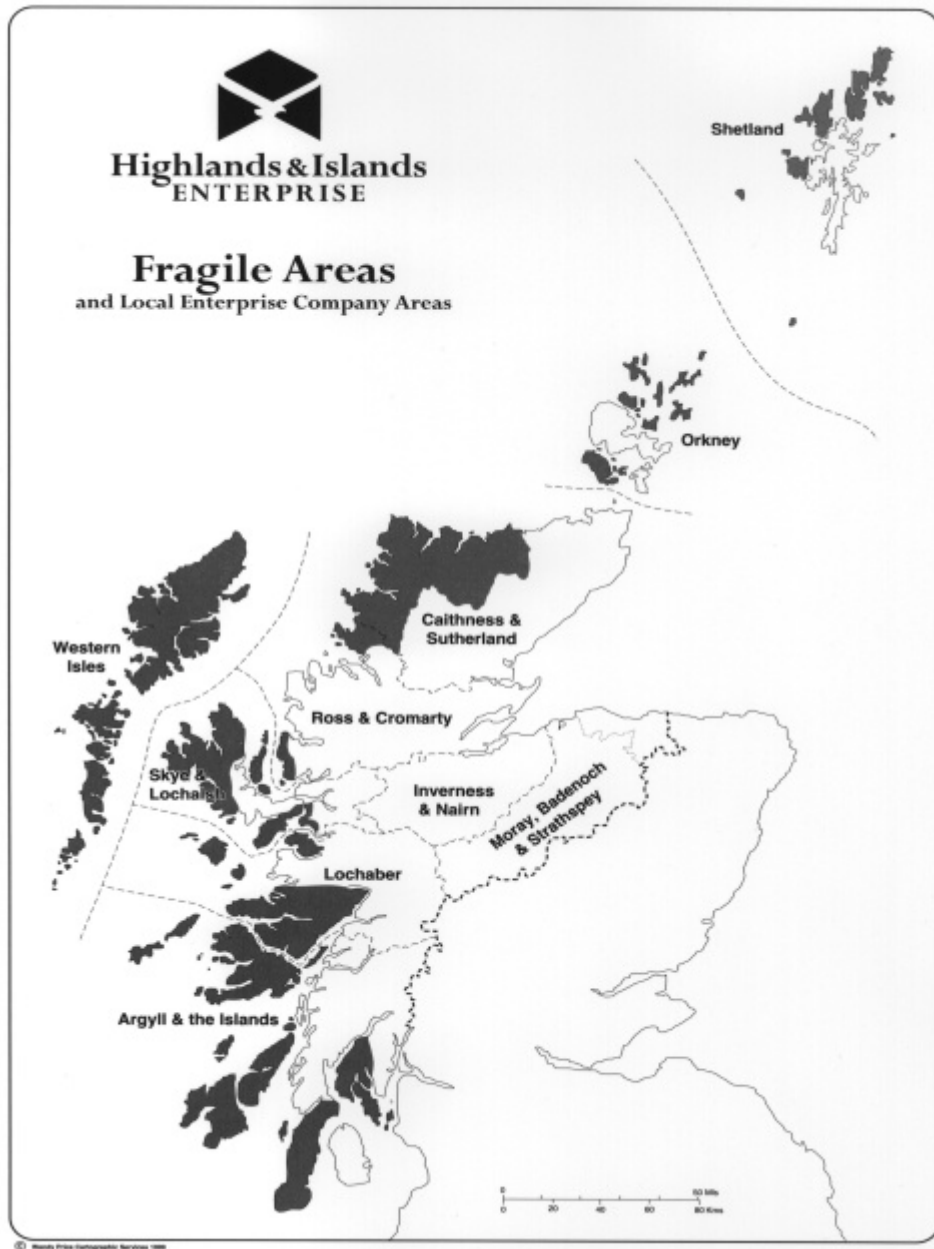
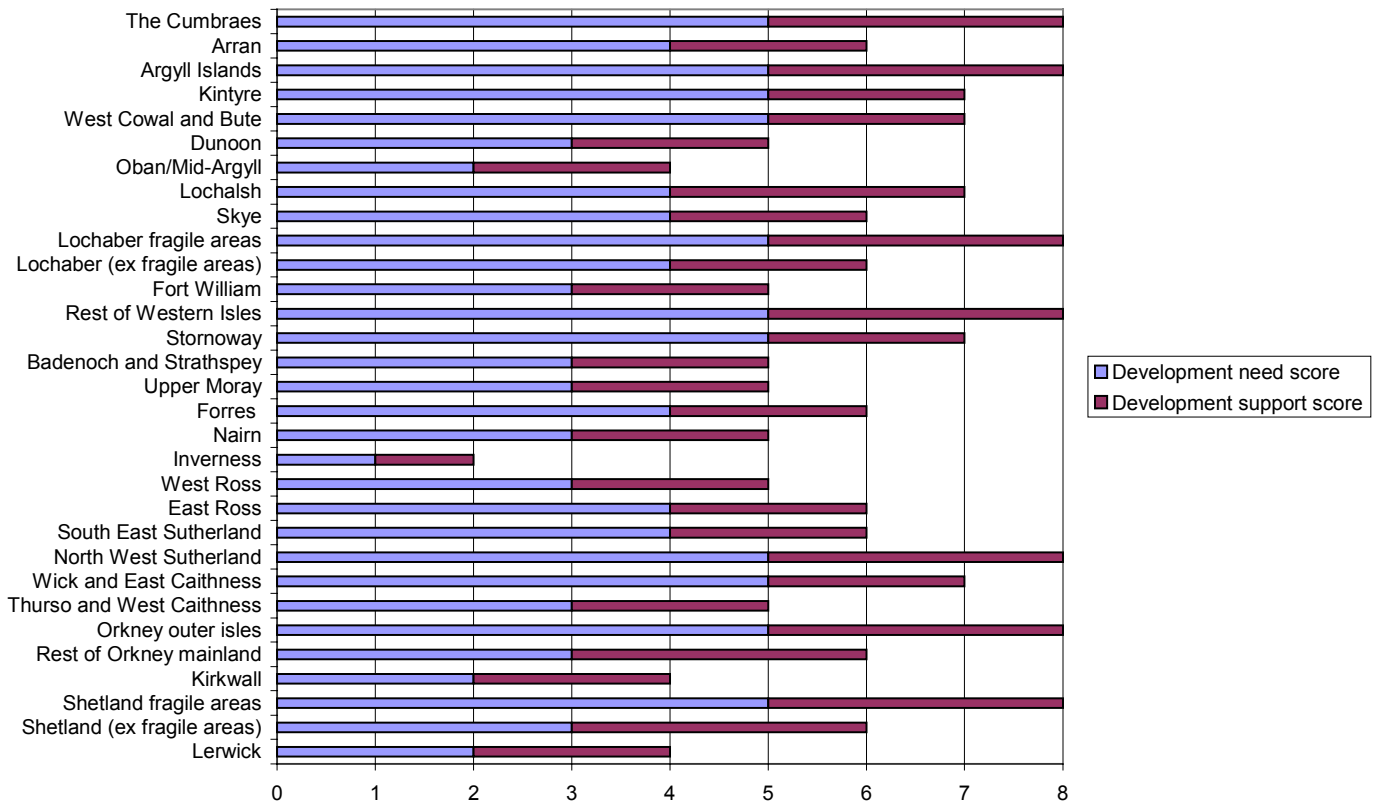


Figure 1: Highlands and Islands Enterprise Network Source: HIE

Figure 2: Area priority scoring for Scottish Highlands and Islands EU Structural Funds Plan, 2000-2006 (HIPP, 2000)



Development need is assessed on a scale of 1 (lowest) to 5 (highest). Key factors in the assessment of need are:

- Population change
- Unemployment rates
- Income levels
- Range of employment opportunities
- Adequacy of infrastructure
- Peripherality

Development support requirements are assessed on a scale of 1 (lowest) to 3 (highest). Assessment of level of support required is based on:

- Leverage of private capital available
- Returns on capital sought by private sector
- Project survival rates
- Degree of market failure in area.

The pattern of scores under the heading of support is broadly similar to that for development need, with remote areas being scored at 3 for support requirements, towns and more accessible rural areas at 2, and Inverness at 1.

Figure 3: Area priorities for the HIE Operating Plan, 2001-2005

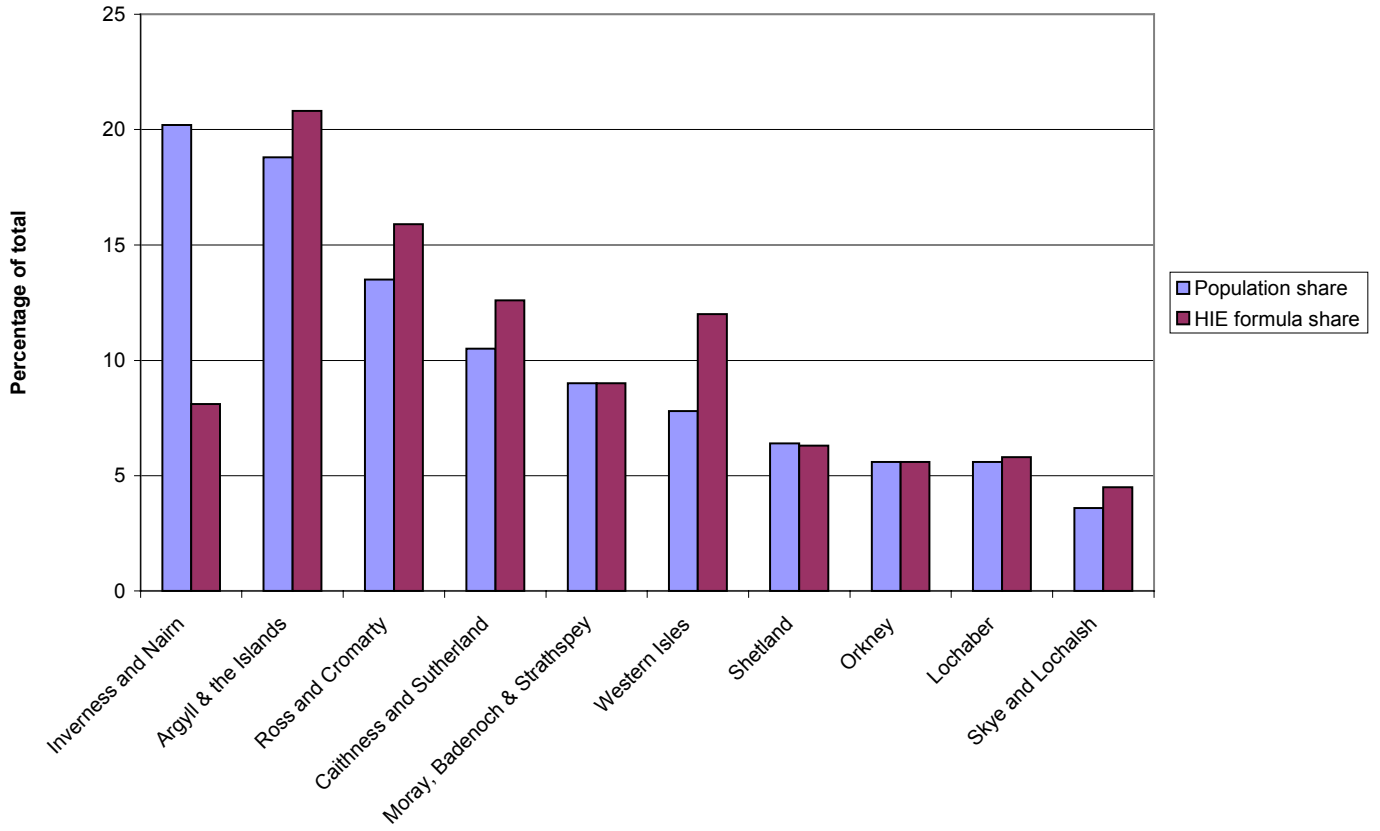


Figure 4: Illustrative example of targeting and tracking measures of sustainable development (Roberts *et al*, 2001)

Energy savings strategy and measurement



**Table 1: Key Statistics for the Scottish Highlands and Islands
(Highlands and Islands Enterprise area)**

POPULATION

| LEC Area | Population 1997 | Area sq.kms | Population density |
|--------------------------------|--------------------|----------------|-----------------------|
| Argyll & the islands | 69,386 | 7,156 | 9.7 |
| Caithness and Sutherland | 38,890 | 7,650 | 5.1 |
| Inverness and Nairn | 76,040 | 3,291 | 23.1 |
| Lochaber | 19,510 | 4,287 | 4.6 |
| Moray, Badenoch and Strathspey | 33,963 | 3,726 | 9.1 |
| Orkney | 19,840 | 975 | 20.3 |
| Ross and Cromarty | 50,840 | 5,000 | 10.2 |
| Shetland | 23,020 | 1,429 | 16.1 |
| Skye and Lochalsh | 12,060 | 2,700 | 4.5 |
| Western Isles | 28,240 | 2,898 | 9.7 |
| HIE Total | 371,771 | 39,050 | 9.5 |
| Scotland | 5,122,500 | 78,133 | 65.6 |
| United Kingdom | 58,400,000 | 244,000 | 239.3 |
| European Union | 370,900,000 | 3,240,000 | 114.5 |

Source: GRO(S), Eurostat

GROSS DOMESTIC PRODUCT AND GROSS VALUE ADDED

| | HIE Area 1997 | Scotland 1997 |
|-----------------------------|------------------|------------------|
| GDP per Capita (€) | 14,691 | 18,751 |
| GDP (€ millions) | 5,490 | 96,518 |
| GDP (€ per head – EU = 100) | 75.8 | 96.7 |

Source: Eurostat 2000

HIE AREA GROSS VALUE ADDED FOR MANUFACTURING AND PRODUCTION 1997

| GVA at Factor Cost Per Head (£) | HIE Area | Scotland |
|------------------------------------|----------|----------|
| Man. of Food/Drink/Tobacco | 22,844 | 38,822 |
| Man. of Textiles | 16,293 | 17,868 |
| Man. of Wood & Wood Products | 31,492 | 22,629 |
| Man. Of Pulp, Paper & Basic Metals | 47,372 | 76,862 |
| Publishing & Printing | 23,869 | 33,419 |
| Man. of Chemicals and Products | 39,445 | 64,371 |
| Man. of Fabricated Metal Products | 22,138 | 30,384 |
| Man. of Machinery & Equipment | 23,494 | 35,326 |

Source: Scottish Production Database (SPD)

LAND AND ENVIRONMENTAL AREAS

| | HIE area | Scotland |
|----------------------------|----------|-----------|
| Land Area (km2) | 39,052 | 78,790 |
| Inland Water (km2) | 1,133 | 1,492 |
| Coastline (km) | 11,248 | 13,115 |
| Firth Areas (ha) | 32,040 | 69,194 |
| SSSIs (ha) | 661,220 | 914,030 |
| National Scenic Areas (ha) | 810,000 | 1,900,000 |

Source: The Scottish Environment Statistics (1998), Scottish Office

% DISTRIBUTION OF EMPLOYMENT 1997

| | HIE | Scotland |
|------------------------------------|------|----------|
| Agriculture, Forestry & Fish. | 6.2 | 2.0 |
| Energy and water | 1.1 | 2.0 |
| Manufacturing | 10.1 | 16.2 |
| Construction | 6.7 | 5.5 |
| Distribution, Hotels & Restaurants | 26.9 | 22.3 |
| Transport & Communications | 6.2 | 5.2 |
| Banking, Finance and Ins., etc | 9.5 | 14.6 |
| Public Admin., Education & Health | 28.5 | 27.2 |
| Other Services | 4.7 | 4.8 |

Source: NOMIS

Table 2: EU Structural Funds guidance on attainment of sustainable development pathway for regional programme managers (ECOTEC, 1997)

| Areas of action | Stages in attainment of sustainable development pathway |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 2 3 4 | <p>Stage 1: Business as usual – meeting all current environmental standards, regulations and procedures</p> <p>Enhancing and maintaining visual environmental quality</p> <p>Ensuring adequate environmental infrastructure is available</p> <p>Ensuring environmental awareness and adjustment programmes for SMEs</p> <p>Supporting the development of ‘Eco-Industries’</p> |
| 5 6 7 8 | <p>Stage 2: Minimisation - going beyond existing pollution control standards and employing best available technologies for improved environmental performance</p> <p>Encouraging the application of clean and cleaner technology/approaches</p> <p>Supporting energy conservation, materials re-use and recycling</p> <p>Supporting developments on brownfield sites</p> <p>Supporting developments on sites already served by roads/utilities/rail</p> |
| 9 10 11 12 13 14 15 16 | <p>Stage 3: Towards delivery of a region-specific sustainable development strategy</p> <p>Supporting innovation in new ‘green’ products/services/processes</p> <p>Supporting production/use of renewable energy and materials</p> <p>Encouraging economic sectors with little environmental impact</p> <p>Supporting environmentally responsible transport</p> <p>Supporting use of IT for sustainability</p> <p>Encouraging sustainability awareness in consumers and tourists</p> <p>Spatial planning to reduce environmental impact</p> <p>Development planning to encourage ‘industrial ecology’</p> |

Table 3: Sustainable development pilot project: regional strategic aspirations proposed for Highlands and Islands Development Plan for 2000-2006, and project selection criteria derived from these (ERM, 1999)

| |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Aspiration: To enhance long-term sustainable growth potential by promoting successful indigenous industry whilst at the same time encouraging diversification (35 related local objectives)</p> <p><i>Project selection criteria:</i> The extent to which the project has the ability to generate local added value through:</p> <ul style="list-style-type: none"> • Maximising added-value of natural products (agriculture, fishing, forestry) • Encouraging SME development through IT, entrepreneurship and inward investment • Developing further sustainable tourism |
| <p>Aspiration: To build community confidence and spirit, including a strengthening of traditional culture, promotion of social inclusion and the provision of equal opportunities (34 related local objectives)</p> <p><i>Project selection criteria:</i> An assessment of the extent to which the project actually promotes the full and equal participation of individuals and social groups in the local economy. Likely to be achieved through:</p> <ul style="list-style-type: none"> • Ensuring that there are no physical constraints (e.g. transport) preventing individuals accessing employment and personal development opportunities • Recognising and supporting community-led projects and services • Retaining and developing young people • Promoting the active support and participation of the local community in project design and implementation |
| <p>Aspiration: To recognise the natural environment as a resource for the benefit of all by maintaining and enhancing its richness and diversity (31 related local objectives)</p> <p><i>Project selection criteria:</i> An assessment of the extent to which the project positively addresses one or more of the following:</p> <ul style="list-style-type: none"> • Enhances biodiversity, species and habitats • Enhances or protects the environment • Promotes environment as an asset • Promotes a greater understanding and enjoyment of the environment |
| <p>Aspiration: To provide equal access to services, employment and business development opportunities through the provision of adequate infrastructure (28 related local objectives)</p> <p><i>Project selection criteria:</i> An assessment of the extent to which the project will impact positively on the region's infrastructure and its ability to provide adequate access to services and employment for example by:</p> <ul style="list-style-type: none"> • Promoting an integrated transport policy to meet local needs • Providing equal access to employment opportunities for all |
| <p>Aspiration: To realise the full potential of the area's human resources by promoting life-long learning and ensuring access to education and information for all (16 related local objectives)</p> <p><i>Project selection criteria:</i> An assessment of the extent to which the project addresses one or more of the following:</p> <ul style="list-style-type: none"> • Improving the availability of higher education • Targeting vocational training to specific needs • Improving access to learning through the provision of IT |
| <p>Aspiration: To promote resource efficiency and business opportunity through appropriate renewable energy development, local strategies for waste management and good environmental practice in all sectors (10 related local objectives)</p> <p><i>Project selection criteria:</i> An assessment of the extent to which the project positively addresses one or more of the following:</p> <ul style="list-style-type: none"> • The efficient procurement and use of water, energy and raw materials • The minimisation and management of waste • The development of cleaner technologies and processes • The inclusion of recovery, re-use and recycling activities |

Table 4: Priorities and measures in the Strategic Development Plan for the Highlands and Islands Special Transitional Programme, 2000-2006 (HIPP, 1999)

| Priority | Measure |
|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 Increasing business competitiveness, creating employment and increasing incomes | 1.1 Provide marketing, advisory and support services to existing and new businesses 1.2 Stimulate private sector investment in existing and new businesses 1.3 Support development of innovation and R & D, including industry-academic links 1.4 Provide serviced sites and premises for businesses |
| 2 Creating the conditions for regional competitiveness | 2.1 Improvements to communication networks 2.2 Improve the provision of energy networks, energy efficiency, and the sustainable exploitation of renewable energy potential 2.3 Waste management, water and sewerage provision and pollution control 2.4 Enhance and maintain the environment, forestry and rural heritage 2.5 Community and social infrastructure |
| 3 Human Resource Development | 3.1 Active labour market policies to fight unemployment 3.2 Promoting social inclusion 3.3 Lifelong learning 3.4 Developing adaptability and entrepreneurship 3.5 Addressing gender imbalance in the labour market |
| 4 Support for rural development and fisheries | 4.1 Investments in agricultural holdings, diversification and co-operation 4.2 Improving the marketing and processing of agricultural products 4.3 Adjustment of the fishing effort 4.4 Renewal and modernisation of the fishing fleet 4.5 Aquaculture 4.6 Fishing port and other on-shore facilities 4.7 Processing and marketing of fish products |

Table 5: Analysis of the allocation of proposed expenditure under EU HIPP 2000-20006 programme by sustainable development pathway (ERM, 1999)

| Priorities* → | | 1 | 2 | 3 | 4 | Total | |
|----------------------|--------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|--------------|----------|
| SD pathway ↓ | | €m | €m | €m | €m | €m | % |
| 1 | Business as usual – economic growth without improved environmental performance | 16.8 | 30.9 | 38.1 | 32 | 117.8 | 39.6 |
| 2 | Environmental clean-up | 5 | 6.8 | 2 | 4 | 17.8 | 6.0 |
| 3 | Environmental infrastructure | 4.5 | 7.7 | | 2 | 14.2 | 4.8 |
| 4 | Adjustment to existing environmental standards | 11 | | 2 | 4.5 | 17.5 | 5.9 |
| 5 | Improve resource efficiency of existing activity | 18.9 | 39.0 | 7.2 | 6.5 | 71.6 | 24.1 |
| 6 | New activities using fewer environmental resources | 12.7 | 37.0 | 7 | 2 | 58.7 | 19.7 |

*refer to Table 4

Table 6: Matrix analysis of sustainable development pilot project strategic aspirations and HIPP 2000-2006 Plan strategic objectives (HIPP, 2000)

| SD Project Strategic Aspirations ⊗ | HIPP 2000-2006 Strategic Objectives | | | | | |
|-------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------------------|--------------------------------------|--------------------------------------------------------------|----------------------------------------------------|------------------------------------|
| | 1 Increase incomes and prosperity | 2 Reduce internal disparities | 3 Create and safeguard employment | 4 Ensure full contribution by individuals and communities | 5 Reduce problems of sparsity and peripherality | 6 Ensure quality of environment |
| 1 Long term growth via traditional and new industry | ** | * | * | | * | * |
| 2 Build community confidence, culture, social inclusion and equal opportunities | * | ** | * | ** | * | * |
| 3 Maintain and enhance natural environment | | * | * | | * | ** |
| 4 Equal access to services, employment, development opportunity via adequate infrastructure | * | ** | * | * | ** | |
| 5 Realise full potential of human resources via learning and education for all | ** | * | * | ** | * | |
| 6 Create resource efficiency and opportunity via renewable energy, waste management and best practice | * | * | * | | * | ** |

*=supporting contribution to the delivery of the strategic objective

**=major contribution to the delivery of the strategic objective

⊗ aspirations set out in more detail in Table 3

Table 7: Suggested stages in appraisal process for assessing sustainability of land use development plan (Tyldesley, 1995)

| Recommended Appraisal Process |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Scoping of Aims Are the aims of the land use development plan compatible with the pursuit of sustainability?</p> |
| <p>2. Appraising Plan Principles/Strategy Do the plan's locational principles (local plan) or strategy (structure plan) match up with plan's aims? ↓</p> |
| <p>3. Scoping Policy Issues Does the plan cover a full range of relevant sustainability issues?</p> |
| <p>4. Appraising Effects of Policies Do any of the policies have serious sustainability impacts? ↓</p> |
| <p>5. Suggesting Requirements for Monitoring How to keep track of plan performance, changes in the environment and human responses</p> |



Table 8: Integration of sustainability indicators into strategic management objectives for development programme (Jackson & Roberts, 2000, extract from Table 4.6)

| Network Goals | Contextual indicators (* core indicators) | Influenceable indicators (* core indicators) | LEC performance measure | Project-specific measure (indicative examples) |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IFSO** | <p>Journey to work</p> <p>*Water use and quality</p> <p>*Waste generated and split by modes of disposal</p> <p>*Energy consumption</p> <p>*Employment in environmental industries and services</p> | <p>*Transport mode for movements of people, materials and products</p> <p>Water discharge quality improvements</p> <p>*Waste re-used and recycled/disposed of by individual firms</p> <p>Collaboration in purchase, supply and disposal of materials</p> <p>*Energy savings by firm</p> <p>Assessing/tracing the characteristics and sources of materials used in [buildings] and production of goods and services</p> <p>*Introduction of environmental auditing and assessment as part of routine management of a firm</p> <p>*Introduction of products targeted at markets for environmental goods and services inc. recycling/repair</p> | <p>Several of these indicators could be covered by the number of organisations with which we agree targets + the overall shift/improvement in resource use etc that should result</p> <p>i.e. we would work towards:</p> <ul style="list-style-type: none"> • number of organisations introducing EMAS as a result of our intervention (and the number of account managed cos. with EMAS) • number of organisations with which we agree specific resource management, local purchasing, or transport targets • actual quantifiable targets for improvements in energy consumption, waste management, shifts of people & materials by mode, etc) <p>Number of companies assisted to introduce products/services for the environmental market.</p> | <p>Shift in volumes and distances by transport mode for each organisation + efficiencies resulting</p> <p>Shifts in waste handling from disposal to reuse or recycling for each organisation</p> <p>Reductions in energy consumption ratio to output for each organisation</p> <p>Programme of specific changes to materials sourcing to reduce environmental impacts through the life cycle.</p> <p>Milestone dates for initial commitment, assessment, and review.</p> <p>Development and launch dates for new products and services, market penetration targets and performance.</p> |

**Strategic Goal: Scotland with many innovative, far-sighted organisations