European Commission

[AUTUMN 2013 ▸ NO 47]

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Eco-innovation

EU regions spearhead moves towards the green economy

- OPEN DAYS: Europe's regions and cities taking off for 2020
- Macro-regional strategies
- EU Solidarity Fund: faster and simpler

Regional and Urban Policy

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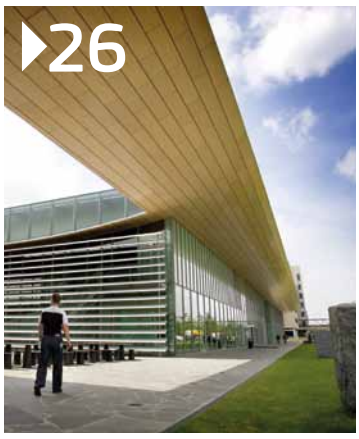

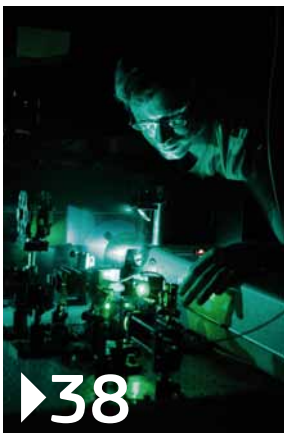

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EDITORIAL

Johannes Hahn
Member of the European Commission in charge of Regional Policy

Member States have reached an agreement on the Multi-annual Financial Framework 2014-2020 which defines the maximum amounts available for each major category of spending. It is now subject to approval at the European Parliament and Council this autumn. Though cuts will happen in many policy areas, regional policy is one of the least affected areas.

This decision is recognition at the highest level of the importance of regional policy contributing to economic activity, growth and jobs. Over recent years, regional policy has shifted from an infrastructure oriented policy to an investment policy stimulating jobs and growth. Regional funds are now Europe's key drivers to refocus, restructure, and modernise the European economy in line with the objectives of the Europe 2020 strategy.

EU regional policy 2014-2020

The new reformed EU regional policy will equip Europe even better to tackle the current challenges to long-term growth: unemployment, a lack of competiveness, and climate change. The investments in the coming financial period aim to bring about structural reform. They support key areas for economic development, which are SME support, research and innovation, the digital agenda and the low carbon economy, as set out in the Europe 2020 Growth Agenda. These actions will mobilise the full potential of Europe's regions to rebuild their economies on competitive foundations.

Innovation is one of the key priorities in the 2014-2020 blueprint and a 'smart regional policy' is needed to make the best use of scarce public resources. The key to this strategy is smart specialisation whereby a region selects a limited number of economic priorities on the basis of its own strengths and competitive advantage in the global market. The smart specialisation route requires a clear idea of a region's strengths and weaknesses. All funding and efforts should be concentrated on these to ensure the highest lasting impact and best use of limited resources.

Europe's regions and cities taking off for 2020

OPEN DAYS 2013 'Europe's regions and cities taking off for 2020', to be held from 7 to 10 October 2013, comes at a particularly important time for regional policy. Regions and cities are finalising their preparations for the 2014-2020 EU cohesion policy programmes in the next months. The OPEN DAYS will be the ideal opportunity for them to learn more about the priorities and challenges of the next phase of Structural and Investment Funds and to exchange views on how to target better those funds. It is vital for regions and cities to participate in shaping regional policies that have a real impact for the benefit of Europe's citizens and trigger lasting growth.

EU DISASTER SUPPORT TO BE FASTER AND SIMPLER

WHAT CAN WE LEARN FROM EVALUATING THE IMPLEMENTATION OF THE POLICY IN A TIME OF CRISIS?

Nearly EUR 500 million was granted to Italy following the Abruzzo earthquake in April 2009.

For more than a decade the European Union Solidarity Fund (EUSF) has been providing support to regions within Europe stricken by major natural disasters. New proposals from the European Commission aim to make the operation of the disaster Fund faster, simpler and more effective. It will provide advance payment of funds and have clearer criteria regarding who can benefit.

Since its creation in 2002, the EU Solidarity Fund has provided support to 52 disasters across Europe including earthquakes, forest fires, drought, storms and floods. More than EUR 3.2 billion of aid has been given to 23 countries.

Under new proposals presented on 25 July, an advance payment will be available to disaster-hit regions for the first time. The amount will be 10% of the anticipated contribution (capped at EUR 30 million).

The process for obtaining relief will be accelerated through the merging of the approval and implementation procedures into one decision.

The scope of the Solidarity Fund will be clarified limiting it to natural disasters and include a special provision for drought. Certain man-made disasters which are the direct consequence of a natural catastrophe and are a knock-on cascading effect will be permitted.

Clearer rules on eligibility will be introduced and there will be just one single criterion for more limited 'regional' disasters. This will be based on 1.5% threshold of regional gross domestic product.

Need for reform

The Solidarity Fund was created in the wake of the severe floods in Central Europe in the summer of 2002. Some of its major interventions include the earthquake in Abruzzo, Italy, in 2009, and the Emilia-Romagna quake in May 2012 which jointly accounted for more than one billion euro in aid. The Fund has been called upon by many EU countries to provide emergency support to cope with floods, storms and forest fire damage. It is currently involved in providing support for the devastating floods earlier this year in Germany and neighbouring Central European countries.

WHAT IT IS SPENT ON

The EUSF supplements Member States' expenditure to finance essential emergency operations undertaken by the public authorities, such as:

- Restoration to working order of essential infrastructure, e.g. energy, water, transport, telecoms, health and education;
- Temporary accommodation and cost of the emergency services to meet the immediate needs of the population;
- Securing of prevention infrastructures such as dam and dykes;
- Measures to protect the cultural heritage;
- Clean-up operations.

Private damage, such as damage to private homes, businesses and income losses including in agriculture, are in principle considered insurable and are not covered.

Assistance from the Fund is essentially for the financing of emergency operations carried out by the public authorities. Damage suffered by private individuals or losses of income is not covered. This financial aid is available to all Member States and countries negotiating their accession.

Since its creation, it has however become increasingly clear that the funding process was not sufficiently responsive. The procedure for granting assistance has been lengthy, often taking up to a year from the disaster until the payment is made.

While the instrument has been working very successfully for 'major' natural disasters, two thirds of the applications received relate to much smaller so-called 'regional' disasters, with damage costs below the threshold level. A large majority of those applications did not meet the exceptional criteria and had to be rejected creating disappointment among the population concerned.

The new proposals spell out more clearly who and what will be eligible, particularly in relation to 'regional' disasters. The rules have been simplified so that aid can be paid out more rapidly and the possibility of advance payment is offered for the first time.

Thematic priority – risk prevention

The revised Solidarity Fund Regulation encourages Member States to implement disaster prevention and risk management strategies. During the new 2014-2020 financing period, risk prevention will be one of the thematic priorities of cohesion policy for which considerable money is available to be taken up when Member States develop their new Structural Funds programmes.

How it works

In the event of a 'major disaster', there is only one single eligibility criterion – damage in excess of a threshold, specific for each country.

For smaller so-called 'regional disasters' it is now proposed to set a similar threshold at 1.5% of regional GDP instead of the currently rather complicated criteria relating to the effects of the disaster on the region's population, economic stability and living conditions.

The national authorities of the affected country may submit an application to the Commission no later than 10 weeks after the occurrence of the first damage. The Commission then assesses the application and – if it concludes that the conditions for mobilising the EUSF are met – proposes the amount of aid considered appropriate to the budgetary authority.

As soon as Parliament and the Council have made the amount available the grant is paid upfront in a single instalment. There is no programming, nor co-financing requirement. The aid can be used to finance emergency measures from day one of the disaster.

Commissioner Hahn commented: 'We must be more responsive and quicker in complementing the efforts of countries to rebuild and recover after disasters... The changes we have agreed will make the Solidarity Fund faster, clearer and simpler to use.'

The proposal is now with the European Parliament and Council for adoption.

▸FIND OUT MORE
http://ec.europa.eu/regional_policy/thefunds/solidarity/index_en.cfm

REGIONAL POLICY: A MOTOR FOR GROWTH IN THE CURRENT CRISIS?

The structural policy of the EU remains a focus of public opinion, especially in times of economic crisis and austerity measures. The key for getting the EU's message across is for transparent and open debate – and the more transparent and open the debate, the better. *Panorama* reports on one such recent debate with Johannes Hahn, European Commissioner for Regional Policy, and Professor Dr Michael Wohlgemuth, Director of Open Europe Berlin, hosted on 19th July at the European Commission Representation in Berlin.

People were queuing to get a place in the conference room of the EC Representation in Berlin in order to listen to a discussion about the pro and cons of the EU's structural funding. The debate was organised in response to a controversial study issued by the Open Europe think tank. The paper complained about an 'unsatisfactory correlation between funding and results' and suggested limiting regional policy support to the poorest EU regions and countries, with richer ones running their own regional policy.

Commissioner Hahn explained that the new programming of the Structural and Investment Funds as from 2014 responds to the call for a more effective and streamlined regional policy by focusing the projects on the Europe 2020 growth and jobs strategy. In addition, the new approach to regional policy means that the spending is much more linked to specific pre-conditions, such as the existence of a country-wide transport network strategy. A new element is also a stronger focus on supporting economic development instead of financing only infrastructure projects.

When responding to the objections raised by Prof. Wohlgemuth, Commissioner Hahn was very clear that a limitation of structural support to the weakest regions is out of question. 'We need the funding in all EU regions in order to guarantee a widespread 2020 strategy implementation', Commissioner Hahn said.

In the ensuing discussion, representatives of the German Länder (both from East and West) underlined that they feel much safer with the guarantee of the Structural and Investment Funds coming from Brussels than with regional funds being distributed by the government in Berlin. A representative from Brandenburg even said that regional support is of the utmost importance for the East German Länder given that the so called solidarity levy for the New Bundesländer, which was once granted because of the German reunification, has now run out. In addition, regional funds were perceived – in both poor and rich regions – as an important tool to foster acceptance of EU policy among citizens, representatives of German regions said.

Though Professor Wohlgemuth welcomed the reformed cohesion policy, he was less persuadable and repeated his arguments in favour of focussing funding exclusively on poor regions and countries. He highlighted the problems emerging from inaccurate forecasts which result in low cost-effectiveness of some of the EU funded projects.

“We need the funding in all EU regions in order to guarantee a widespread 2020 strategy implementation.”

Johannes Hahn – Member of the European Commission in charge of Regional Policy

A representative from the German trade unions DGB called for closer project coordination between diverse EU regions because of the German ‘Energiewende’ (energy transition).

A heated discussion about the eligibility criteria of the Cohesion Fund followed. Commissioner Hahn confirmed that the criteria – which have a key impact on the final allocation – are a bone of contention between the Member States. He also said that a great problem is to allocate funds on the basis of eligibility criteria because the Commission is only entitled to use the newest available and validated figures. This was the reason, Commissioner Hahn explained, why in the case of Greece the fund allocation has been based on figures from the time before the outbreak of the debt crisis.

The debate, organised by the European Commission Directorate General for Regional and Urban Policy and the EC Representation in Berlin, was very much appreciated by the audience for its controversial and open character. It also showed that the structural policy of the EU will remain – especially in times of crisis, austerity measures and a diminishing support for the EU project in general – a focus of public opinion. The more transparent the debate, the better.

▸FIND OUT MORE
http://ec.europa.eu/deutschland

The BENET project is researching alternative biomass fuels in Finland.

Samsø island's Energy Academy is a focal point in Denmark for research on renewable and sustainable energy.

REGIONS SPEARHEAD ECO-INNOVATION AND SMART, SUSTAINABLE GROWTH

Sustainable growth is one of the key tenets of the Europe 2020 strategy – developing a European economy that is greener, more resource efficient and more competitive. Europe's regions and the EU's Structural and Investment Funds are now the driving force making this a reality.

The global demand for environmental technologies, eco-friendly products and services, and sustainable design ideas is increasing dramatically. The worldwide market, currently estimated at EUR 1.15 trillion a year, could almost double, with the average estimate for 2020 being put at around EUR 2 trillion a year.

The European Union has been making great strides to benefit from this. It recognises the need to reinforce synergies between smart and sustainable growth to deal with the climate change, environmental and energy challenges as well as growing resource scarcity. Continuing with our current consumption and production patterns is not an option. The EU needs to transform itself into an innovation-driven green economy and regional policy as an investment vehicle is now a key factor in making this happen.

The eco-industry sector in Europe is already rapidly expanding. It provides 3.4 million jobs and has an annual turnover greater than the steel, automotive and pharmaceutical industries.

There is a wealth of evidence which confirms that regions and the major cities play an important role in stimulating innovation by being the home of industrial clusters, competence centres, incubators, technology parks and many other types of formal and informal innovation vehicles. The EU Member States which are investing most in research and entrepreneurial capacity in areas such as sustainable energy, ecosystem services and eco-innovation are now emerging as the most competitive economies in the EU.

The EU institutions are already playing a major part in promoting the green economy. Between 2007 and 2013, some EUR 105 billion – 30% of available cohesion policy funding – has been invested directly and indirectly in environmental projects. Of this EUR 54 billion has been allocated to environmental services such as waste and water management, nature protection and risk protection. Some EUR 3 billion has been focused on eco-innovation in SMEs and a further EUR 48 billion on low carbon action such as clean transport, energy efficiency and renewables.

The idea for eco-friendly student accommodation originated in the Netherlands and was built in Le Havre, France.

In the area of energy efficiency, some EUR 10 billion has been invested of which EUR 4.9 billion for renewable energy sources such as biomass (EUR 1.8 billion), solar (EUR 1.2 billion), hydro-electric/geothermal (EUR 1.2 billion) wind (EUR 0.6 billion).

Key driver of international competitiveness

The European Union is increasingly regarding eco-innovation as being one of the most important drivers of its economy and its international competitiveness.

In the new programming period 2014-2020, several thematic objectives of the new cohesion policy deal with eco-innovation. Actions will be promoted to encourage a shift to a low-carbon economy, environmental protection, greater resource efficiency, sustainable transport and the development of a circular economy.

These are closely linked into efforts to promote appropriate investment to stimulate economic growth and jobs.

In late 2011, the EU adopted the Eco-Innovation Action Plan which, by improving the market's uptake of eco-innovation, has been designed to increase environmental performance, create growth and jobs and ensure a more efficient use of the scarce resources in the EU.

Eco-innovation is viewed as any innovation that reduces the use of natural resources and decreases the release of harmful substances across the whole lifecycle. Eco-innovation can be found in all forms of new, or significantly improved, products, services, processes, marketing methods, organisational structures, etc.

Competitiveness funding

The European Regional Development Fund (ERDF) provides significant support to regions and their SMEs in order to boost their competitiveness. It can be deployed through specific measures targeted at resource efficiency such as the ENWORKS (1) programme in the UK, which was awarded the RegioStars 2013 Prize in the Sustainable Growth category (2). In addition, to help eco-innovative companies, particularly SMEs, get their developments from laboratory to market, the EU's Competitiveness and Innovation Framework Programme (CIP) provides equity, networking facilities and one-off grants to potentially viable projects. With a budget of some EUR 200 million for the period 2008 to 2013 the CIP has been supporting technologically-proven solutions (products, processes, technologies) to make better use of Europe's natural resources. More than 240 projects funded by the eco-innovation scheme are already underway in the areas of material recycling, water, sustainable building products, green business, food and drink. The projects have been developed primarily by small businesses with innovative concepts needing early stage capital to realise their growth potential.

A recent study has shown that the investment in these green SMEs working in the area of environmentally innovative technologies is producing above average returns, creating valuable jobs and also alleviating environmental impacts. The investment of EU eco-innovation funds is already showing a 20 fold return. Every euro invested has resulted in EUR 20 for its beneficiaries. Furthermore each project supported has generated an additional eight permanent full-time jobs. Converted into cash terms, the value of these environmental savings is put at more than EUR 800 million over five years while there have also been substantial environmental benefits in terms of water saving, reduced greenhouse gas emissions and less waste products.

(1) www.enworks.com
(2) http://ec.europa.eu/regional_policy/cooperate/regions_for_economic_change/regiostars_13_en.cfm

The eco-innovation projects which have received funding cover a wide range of sectors and activities from omega 3 fatty acid production from algae, to pollution-free leather production.

The Intelligent Energy – Europe (IEE) programme, which started in 2003, has been further promoting EU energy efficiency and renewable energy policies. IEE provides support in areas such as renewable energy, energy-efficient buildings, industry, consumer products and transport. Running until 2013, the programme is open to all EU Member States, plus Norway, Iceland, Liechtenstein and the Former Yugoslav Republic of Macedonia. A budget of EUR 730 million is available to fund projects.

STYRIA – AUSTRIA'S GREEN TECH VALLEY

Austria hosts one of the world's leading green technology clusters – Eco World Styria. Styria has had a large concentration of environmental companies that dates back to the 1970s.

The local business support agency has helped develop a loose network to promote green technology projects and by 2005, the network had evolved into a well-founded cluster. There are currently, around 200 companies and research centres are actively working in the cluster on the environmental engineering solutions of tomorrow.

Eco World Styria focuses on a research-industry-government cooperation model to take eco-innovation to a higher level. The cluster offers its companies an attractive range of services, including market strategy support, innovation potential evaluation, R&D partner identification, funding services and investor search.

The total budget of the cluster development project during 2007-2012 amounted to EUR 888 800. Half of this funding came from the ERDF. The success of the cluster has helped to raise significantly the level of self-financing, which currently amounts to around 40 %. This includes the cluster membership fees and revenue from projects and services.

Eco World Styria and its strategic partners can secure sustainable growth for the cluster clients through the entire value chain in the areas of biomass, solar energy, material flow management and waste and water.

Smart specialisation

The EU recognises that many regions have their own specific comparative advantages and should focus on these. Indeed some regions already have a tradition in developing sustainable and resource efficient technologies.

The regional and local context has become more important than ever in fostering sustainable growth. Firstly, regions have knowledge about the local innovation systems and have the capacity to mobilise economic actors towards a shared goal. Secondly, they are well positioned to develop a thorough understanding of local natural assets and environmental challenges.

It is recognised that there is no 'one-size-fits-all' recipe for the development and implementation of strategies that connect sustainable and smart growth. Each region needs to seize its own opportunity and can call upon the support provided by the EU's regional policy.

The smart specialisation strategy aims to identify the key strategic industries for each region and focus their research, innovation and investment strategies on these. Innovative activities can range from state-of-the-art R&D to innovative ideas in construction, mobility, design, energy management and business models.

They are based on the comparative advantages of regions and can ensure a more effective use of public funds. They can help regions to concentrate their resources on a few key priorities rather than spreading investments thinly across areas and business sectors.

One of the priorities of the 'Smart Specialisation Strategy of Scotland', for example, is to use the richness of natural resources, such as wave power, for renewable energy. This industry already supports more than 11 000 jobs across Scotland. Finland has recently adopted a government-wide strategy to promote clean technologies (see box).

FINLAND – TARGETS CLEANTECH SPECIALISATION AT NATIONAL LEVEL

Globally, cleantech is one of the fastest-growing sectors. The size of the global markets is around EUR 1600 billion (around 6% of global GDP), with an annual growth rate of nearly 10%.

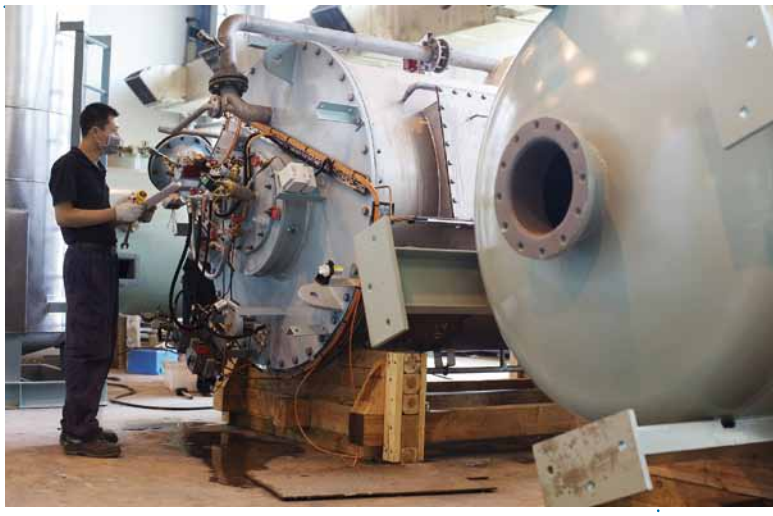
In 2011, Finland had over 2000 companies operating in the cleantech sector. Their combined turnover (EUR 20.6 billion) accounted for 10.9% of GDP and achieved 10.6% growth on the previous year. The value of Finland's cleantech exports is around EUR 12 billion, nearly 20% of all Finnish exports.

In February 2012, the Finnish Government launched a Strategic Programme for Cleantech with the aim of making clean technology one of Finland's economic policy priorities.

Its goal is to prompt the creation of 40000 jobs within the cleantech sector in Finland by 2020, and to double the total turnover of cleantech businesses from approximately EUR 20 billion to EUR 40 billion by 2018.

Strengths of the Finnish cleantech sector include the production of clean energy, energy-efficiency of manufacturing and buildings, resource-efficient industrial processes, water treatment and waste management and recycling. Measures in the Clean Energy programme include reducing the use of coal, natural gas and imported electricity and increasing the use of wind, solar and bioenergy, improving energy efficiency and generating new businesses, transforming the vehicle stock into electric vehicles, and creating incentives.

Part of the strategy is to create the best domestic market for Finland's cleantech companies and helping to spur business growth through internationalisation.



During the first two years of the programme (2012-2013) the focus was on the promotion of clean energy, energy efficiency (using ICT) and an environmentally friendly mining industry as pilot sectors, in addition to developing an operating environment that supports the growth of cleantech business in general. Public procurement will be used to support the adoption of new cleantech solutions. In 2011, public procurement in Finland amounted to EUR 32.5 billion. By the end of 2013, the aim is to have at least 1% of public procurement, i.e. EUR 325 million worth, to support the home market references of cleantech businesses aiming to go international.

The programme aims to promote the emergence of 5-6 significant centres of expertise in the cleantech sector, especially in the field of clean energy and energy efficiency. In addition, the possibility of establishing a centre of expertise focusing on specific fields, for example wind power, is being examined. The government is also promoting the internationalisation of SMEs, especially in growing markets: China, India, Russia and Brazil. The aim is to assist 80 new companies to access international markets by the end of 2018.

Sustainable energy – Energy efficiency in housing

During the next funding period, all regions will have to invest a significant amount of ERDF funding in sustainable energy. In addition, under the new programme there will be no restrictions on investing in energy efficiency in housing (currently limited to 4% of the ERDF).

Cities which account for 70%-80% of all greenhouse gas emissions are a vital area for introducing more sustainable solutions in mobility, energy and waste systems.

Many cities are already experimenting with new approaches and early adopters of greening strategies are already witnessing their positive impacts.

Success in bringing about this shift to a low-carbon and resource efficient economy based on innovation will be determined to a great extent by decisions made at the regional and city levels.

▸FIND OUT MORE
Connecting Smart and Sustainable Growth through Smart Specialisation:
http://ec.europa.eu/regional_policy/sources/docgener/presenta/green_growth/greengrowth.pdf

OPEN DAYS UNIVERSITY

MASTER CLASS ON THE LONG-TERM PICTURE OF COHESION POLICY

The OPEN DAYS University is an important feature of the 11th European Week of Regions and Cities in October. It will help focus thinking on new academic research being undertaken on regional and urban development.

Under the umbrella of the OPEN DAYS University, a series of workshops are being organised to enable academics, practitioners, EU officials and other interested participants to exchange views and test new academic concepts in the field of regional and urban policies.

A selected number of renowned academics and researchers in the field of EU cohesion policy and related policy fields from different European countries have been invited to hold lectures and participate in chaired panels focused on the third thematic priority of OPEN DAYS 2013: 'Challenges and solutions'.

'Academia has an important role in the regional policy development process, in particular through improved understanding of territories, recognising their strengths and their governance specificities', says Professor Eduarda Marques da Costa of Lisbon University. 'It also promotes large conceptual and methodological discussions that are integrated in policy-making and policy implementation. Academics develop applied research relating to impact assessment and other *ex-ante* evaluation studies and also participate in advanced research of specific thematic up-date in the context of 2014-2020.'

Master Class

For the first time during the OPEN DAYS University, a Master Class is being prepared in partnership with the Regional Studies Association. It will consist of a series of seminars for 77 selected PhD students/early career researchers in the field of regional and urban policy. The participants will come from both EU and non-EU countries.

The opening Master Class session will focus on the 2014-2020 outlook for EU cohesion policy. Under the theme 'EU cohesion policy: economic context, governance challenges and outlook' it will recall the history, rationale and context which led to the current set of reforms.

The interventions will examine the policy impact of the economic and social changes taking place at a global level and discuss:

- Where are the new opportunities in a changing global economy? Are there new spatial concentration forces?
- What is the new role of different levels of government in delivering recovery and the Europe 2020 strategy?
- What has changed in terms of territory, space and politics since 2008 and what does it mean for the future of EU cohesion policy?

Special guests for the Master Class will be Professor Eduarda Marques da Costa of Lisbon University, Professor John Bachtler of the European Policies Research Centres at the University of Strathclyde in Scotland and Professor Phil McCann, University of Groningen, the Netherlands.

FIND OUT MORE
http://ec.europa.eu/regional_policy/conferences/od2013/od_university.cfm

Prof. Eduarda Marques da Costa, Institute of Geography and Spatial Planning, University of Lisbon

In the last decades, European regional policy has been crucial in promoting cohesion and development in an enlarging territory. The relevance and effectiveness of policies in different countries and regions highlights the importance of structured diagnosis and integrative territorial approaches which are considered in the EU's orientations.

In fact, the challenges are now quite different. They demand a flexible, multi-level and multi-dimensional approach. When we look at low density areas, for example, we notice that the problems haven't changed so much (e.g. ageing processes or a large dependency on public services to ensure employment and a convergence process). But regional development theories and regional convergence policies have been changing in line with territorial approaches, and finding answers to the new challenges and paradigms.

The same logic is valid in urban territories where some fundamental weaknesses still prevail, or are even more intense, due to land-use pressures or environmental conflicts. The relevance of these problems is now exacerbated in the enlarged cities, given the context of climate change and new energy and natural resources challenges.

Future regional policy post-2020, will also face intensive global challenges with large impacts in cities and less urbanised territories, affecting the social cohesion of the European regions. In this context, academia should narrow its relation with the policy-making process, enlarging theoretical and methodological debates to improve the territorialisation of European policies.

Prof. Henrik Halkier, Professor of Regional and Tourism Studies, Aalborg University, Denmark

Given the path-dependent nature of policy-making, the risk of the same measures being applied across dissimilar regions in Europe is obvious, especially with regard to EU programmes which by the nature of things have to comply with a standardised set of rules and regulations. By demonstrating the place-specific character of development issues, academia can make an important contribution to making policy-interventions more relevant, effective and efficient.

For many good reasons great emphasis is being placed on increasing the impact of policy interventions through monitoring and evaluation. These efforts are limited by theoretical understandings of causal relationships in development processes and, indeed, the data available to policy-makers. Academia can make a contribution by furthering the theoretical understanding of development processes and developing new ways of assessing the impact of public interventions.

Two key issues post-2020 that should be taken more into account in the long-term development of regional policy in Europe are:

- The growing importance within innovation of the combination of different types of knowledge and, indeed, bringing different social practices together across existing boundaries. While traditional R&D laboratory-type activities will of course remain important, the broader issues of innovation within and across organisations need to be addressed, also with regard to private and public services, and, indeed, in relation to lagging regions and localities.
- The importance of extra-regional links of firms and public institutions must be acknowledged so that local firms can be supported in working with, for example, the most relevant knowledge institution, no matter whether it is situated in their own region, country or continent.

ERDF IN THE HOUSING SECTOR

FUNDING ACHIEVES 'TANGIBLE AND POSITIVE' BENEFITS

ERDF-supported housing projects in Tallinn, Estonia (above and below).

A new study on the ERDF-supported housing interventions in the 2007-2013 programming period points to a positive effect on a number of fronts. With such complex and diverse issues to deal with across the EU, future action should target an integrated approach combined with an effective framework and more active involvement at all levels of government.

For more than 20 years the EU has been supporting urban regeneration and the city environment through a variety of programmes. Since 2007 resources from the European Regional Development Fund (ERDF) have been explicitly allowed for housing interventions.

Indeed the 2007-2013 period saw the mainstreaming of the 'urban dimension' in cohesion policy, as a result of which all urban areas have become potential beneficiaries of EU Structural and Investment Funds.

At the initiative of the European Parliament an EU-wide study (1) has been undertaken to assess how the ERDF has been used in some of the first housing projects in the 2007-2013 funding period, and to identify its most effective role in the future.

TALLINN, ESTONIA

Energy saving in social housing

Tallinn has utilised ERDF to renew both its social housing provision and its children's homes. A total of nine highly energy efficient buildings are being newly constructed, located in different parts of the city, providing a better living environment for residents, and allowing a higher quality level of social support within the buildings.

LA FORET, FRANCE

Fighting fuel poverty in deprived area

This project is rehabilitating 446 social housing flats (eight buildings built in 1965-1970) with high energy consumption. The project aims to combat fuel poverty and rehabilitate a socially deprived neighbourhood. They are being converted into low-consumption flats which will improve the quality of life and safety of residents as well as the image of the neighbourhood.

(1) Housing investments supported by the European Regional Development Fund 2007-2013, Housing in sustainable urban regeneration.

EU housing problems

Across the EU, significant challenges remain in dealing with poor quality, unaffordable and low energy efficiency housing. Such problems tend to be deep-seated and complex, but differ considerably between Member States.

Housing problems in Western European cities are often focussed in high-rise building blocks, stemming from poor materials and design problems. The resulting problems are centred on deteriorated areas at the edge of the cities or traditionally built inner city areas.

From 2007, the 'new Member States', which had joined the EU in 2004 or after, were able to use the ERDF to fund housing-related projects. These countries feature large post-war housing estates which are seen as major urban problems. According to the study, without comprehensive intervention many estates would quickly deteriorate, creating both ghettoes for the urban poor and large demand for suburban single-family housing.

Since 2009, all EU Member States have been able to use ERDF funds for investments related to energy efficiency or renewable energy.

Integrated approach

In addition to a literature and policy review, ten ERDF-supported housing interventions were examined in detail as part of the study. The analysis showed how the ERDF has fostered integrated approaches addressing the housing, energy and socio-economic needs of deprived communities.

The ERDF housing interventions demonstrated tangible and positive benefits in particular in terms of energy efficiency and lower energy bills. Stakeholders were also relatively positive about the impacts of the projects on related aspects such as job creation and health.

However, only a few projects managed to address all of these three issues at the same time. Some of them were in practice 'one-dimensional', aiming just for energy improvements; other projects included some social elements. It found that projects are more effective when tackled as an integrated response and when national policies encourage ERDF schemes to be linked to other interventions. Local and regional political leadership can be an important factor too.

It is important to note that ERDF is not the only source of European funding for housing. The European Investment Bank (EIB) has provided loan-based financial support to housing in the EU for some time. This financial support is used for urban regeneration, within which social housing is an important aspect.

Conclusions

The overall conclusion from this study is that funding housing schemes through ERDF makes a positive difference on a number of fronts. There is in practice a variety of housing intervention approaches that can achieve a range of real and tangible impacts. Energy efficiency-related interventions are often very positive from a social perspective as they help to reduce energy bills.

The ERDF has achieved much in terms of tackling the issue of housing and energy affordability. Most of the projects either directly or indirectly provide residents with financial assistance to help them afford, for instance, new windows or roof insulation.

There are a wide variety of issues that affect the extent to which ERDF housing projects support more deprived communities. These issues suggest that specific measures need to be in place to help those lowest income households to access ERDF-supported activity.

While housing remains the responsibility of EU Member States, an important role can be played by the ERDF in promoting sustainable housing to help reduce energy consumption and move towards a low-carbon economy, and also to help promote social inclusion.

Housing-related interventions should take place using an integrated approach, seeking to address economic, social and environmental challenges. For example while the goal of an energy efficiency intervention is primarily to reduce the level of energy usage in individual buildings, it is advisable that certain other problems of deprived neighbourhoods are taken into account simultaneously with the energy dimension.

The study concludes that this effort can be more successful in the next funding period if the flexibility of 2014-2020 cohesion policy legislation is combined with an effective framework, forward planning and active involvement at all levels of government.

▸FIND OUT MORE

http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/housing/2013_housing_study.pdf

http://ec.europa.eu/regional_policy/information/studies/index_en.cfm#1

EUROPEAN GROUPING OF TERRITORIAL COOPERATION

CLARIFICATION AND SIMPLIFICATION FOR THE LEGAL INSTRUMENT CREATED IN 2006

Seven years after receiving approval, the Regulation on the European Grouping of Territorial Cooperation (EGTC) is being amended and a number of clarifications and simplifications will make its use even more attractive.

When Jan Olbrycht, the European Parliament Rapporteur in 2006, explained what an EGTC is, he just said: 'An EGTC is an EGTC!' But what was thought to give flexibility to Member States is now perceived as not clear enough.

In some Member States, when adopting national rules to implement the EU Regulation, the EGTC was assimilated into existing legal bodies – the 'syndicat mixte' in France or 'Zweckverband' in Germany, both public bodies, or to a non-profit association under private law, etc – and the amended Regulation will continue to keep the choice open to grant to an EGTC a public or private law status. But what is the current situation of the at least 35 EGTCs set up (1), covering 19 Member States, involving more than 650 local and regional authorities/bodies, and having an impact on the lives of some 30 million European citizens in border regions?

A legal instrument for sub-national authorities and bodies

Member States and central authorities can cooperate on the basis of their sovereignty. Regional and local authorities or other public bodies may cooperate within a Member State: local authorities set up a joint body to manage public transport, waste, energy, water, culture, etc. The starting point for the EGTC Regulation is simple: what such sub-national bodies are normally allowed to do within a national context, they should be allowed to also do across borders inside the European Union. Such cooperation should be normal in a Union and 20 years after the introduction of the Single Market. In 1980 the Council of Europe proposed an Outline Convention on Transfrontier Co-operation (2) between Territorial Communities or Authorities, but many Member States have not ratified the relevant Convention or its three additional Protocols, or concluded bi/trilateral agreements with their neighbours. With the revision of the EGTC Regulation, which was largely adopted by the co-legislators, such cooperation will also explicitly be possible across the external borders of the EU: for example, between France and Switzerland, between outermost regions and their neighbours (third countries or overseas countries and territories), and between Poland, Lithuania and Kaliningrad.

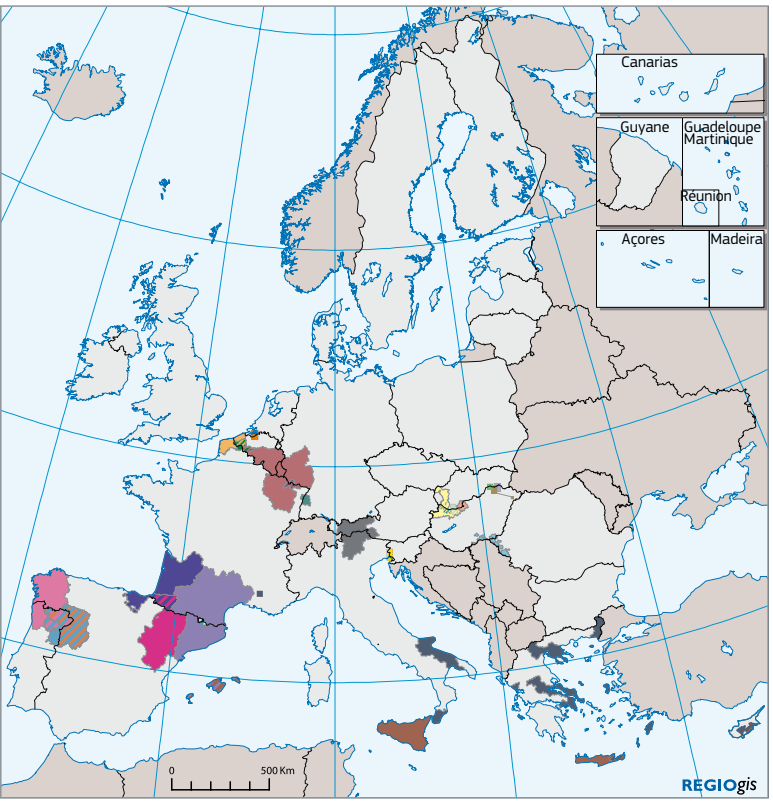
Faster and simpler approval mechanism

Still, some Member States consider such cooperation as foreign policy, even inside the Union, and had insisted on a heavy approval procedure. The period of three months to approve the participation of an authority/body in an EGTC and Convention and Statutes was far exceeded. The revision allows for a period of six months and if a Member State has not sent reasoned observations by the end of this period, the approval is considered to be tacitly given. However, this does not apply to the Member State where the EGTC will be registered as a legal body.

Another important clarification concerns the Statutes, i.e. the document setting out the practical internal working arrangements. Previously Member States were allowed to assess the Statues completely alongside the Convention. Now, they are only allowed to assess whether the Statutes are in line with the Convention (the founding document). A lighter approval procedure has been established, under certain conditions, when the only amendment to a Convention already approved is the adhesion of new members.

(1) As of early July 2013, the Committee of the Regions was aware of 37 EGTCs set up: https://portal.cor.europa.eu/egtc/en-US/Register/Pages/welcome.aspx

(2) http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?CL=ENG&NT=106



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European Groupings of Territorial Cooperation

- Lille-Kortrijk-Tournai
- Ister-Granum
- Galicia-Norte de Portugal
- Amphictyony/ AMΦIKTYONIA / Anfizionia
- UTTS
- Karst Bodva
- Duero-Douro
- West-Vlaanderen/ Flandre-Dunkerque-Côte d'Opale
- ArchiMed
- Eurodistrict Strasbourg-Ortenau/ Eurodistrikts Strasbourg-Ortenau
- Hôpital Transfrontalier de la Cerdagne/Hospital Transfrontarer de la Cerdanya
- Eurorégion Pyrénées-Méditerranée/ Eurorégion Pirineos-Mediterráneao/ Euroregió Pirineus Mediterrània
- ZASNET
- INTERREG Programme Grande Région
- Eurodistrikt Saarmoselle/ Eurodistrict Saarmoselle
- Abaúj az Abaújban
- Pons Danubii
- Bánát-Triplex Confinium
- Linieland van Waas en Hulst
- Arrabona
- Euroregion Tirol – Alto Adige – Trentino
- Gorizia – Nova Gorica – ŠempeterVrtojba
- Espacio Portalet
- Pirineus-Cerdanya
- Rába-Duna-Vág
- Europrégion Aquitaine-Euskadi

Broader scope for EGTCs

The revisions make clearer that the EGTC instrument can facilitate and promote territorial cooperation, and carry out specific territorial cooperation actions primarily – but not exclusively – under the European territorial cooperation (ETC) goal. To quote the Committee of Regions: 'The EGTC offers "the possibility of involving different institutional levels in a single cooperative structure", and thus "opens up the prospect of new forms of multilevel governance, enabling European regional and local authorities to become driving forces in drawing up and implementing EU policy, helping to make European governance more open, participatory, democratic, accountable and transparent."'

Only one EGTC so far is set up as managing authority of an ETC programme (Grande Région – cross-border cooperation around Luxembourg). Some concern networks, whilst most cover smaller or larger territories on internal borders which develop a joint strategy and then make use of different ETC programmes or other EU programmes which require cooperation (e.g. Life+ or Erasmus for Entrepreneurs) for individual project applications. In the future, EGTCs may also implement only part of a programme, be it under ETC or interregional cooperation under the Investment for Growth and Jobs (IGJ) goal, or even both (e.g. to implement an Integrated Territorial Investment or a Joint Action Plan drawing from ETC for the governance and from the IGJ for the investments in infrastructure and people).

Clearer rules for implementation

EGTCs will be able to set up and manage infrastructure and services. In this context, the EGTC's Assembly may define the terms and conditions of the use of the infrastructure or a service of general economic interest including the tariffs and fees to be paid by the users. National rules applicable to these activities will be listed on the Convention giving more legal transparency to the users.

The setting-up of some EGTCs was delayed by legal issues applicable to its staff and some EGTCs were set up without their own staff. A joint declaration attached to the amending Regulation will clarify the interpretation of what EGTCs are allowed to establish in their Convention. The starting point is the choice of the EGTC itself. On the basis of the options laid down in the Convention, the individual EGTC staff member will still be free to choose one of the options offered: private law or public law which in principle shall be of the country where he or she actually works, regardless of where the EGTC is registered. EGTC are also given a more prominent role in the whole legislative package and specific provisions are covered both in the Common Provisions Regulations and the ETC Regulations, thus encouraging this instrument, which will prove its added value and maturity in the next programming period.

▸FIND OUT MORE
INTERACT EGTC Handbook:
www.interact-eu.net/news_publications/new_egtc_handbook/174/1547

CAPACITY BUILDING

DEVELOPING THE SKILLS AND CAPACITY TO FULLY USE THE STRUCTURAL AND INVESTMENT FUNDS

The ability to absorb and utilise the European Union's Structural and Investment Funds is partly limited by the organisational capacity of national and regional authorities in Member States. A new effort is being launched by the European Commission to expand the skills, capacities and operational tools in Member States so that more Structural and Investment Funds can be invested and the quality of spending improved.

Some of the 'invisible' barriers to putting into action the vast resources of the Structural and Investment Funds are the lack of skills and tools at the level of national and regional administrations. Many of the problems which are linked to the implementation of the Funds, it is widely recognised, stem from the capacity of the authorities in Member States and regions to manage them. Investing significant financial resources in Europe's regions requires a high degree of organisation, competence and engagement. To achieve a higher level of absorption of Structural and Investment Funds and ensure low levels of implementation errors requires a well targeted effort to build the appropriate capacity.

Wide divergence in performance

Across the EU there are in reality wide divergences in performance in absorption capacity, efficiency, and effectiveness of the Structural and Investment Funds. In practice, performance needs to be assessed in terms of the full life cycle of investments, ranging from the general management of the programmes, to the programming, implementation, evaluation/monitoring, and financial management and control. The success of each step in the implementation life-cycle depends on three interrelated factors, namely organisational structure, human resources, and systems/tools.

Tailor-made solutions

The conduits of the investment process are the national and regional public administrations and there is no standard formula for how this process should operate. The approach needs to be tailor-made, proportionate, adequate and efficient. There are many good examples of how improving governing structures, implementing good human resources strategies or developing efficient tools makes a significant contribution to fund management. The Commission is currently undertaking a major 'stock-taking exercise' to identify the nature of the bottlenecks and where they are most frequently found. This will help map out country by country where the most common problems are and trigger solutions to resolve them.

Regional policy Commissioner Johannes Hahn has stated that: 'Sound institutional capacity to plan and use EU funds is at the heart of an effective cohesion policy and therefore paramount to recovery and growth. Without the appropriate fund management architecture, based on stability and continuity, run by the best people using the most adequate tools and systems, cohesion policy does not deliver to its full potential. Without adequate administrative capacity absorption rates are low, error rates are high and overall impact of the investments is lower than it should be. And in these times of financial hardship, it is not acceptable to anyone that public funding is not used in the most effective manner to give Europe and its citizens a chance to get back to growth, to employment, and to the highest possible living standards.'

On the basis of this stock-taking exercise, work of a more operational nature can begin to develop tools and solutions to address the issues.

Problem areas

The administrative capacity to manage the Structural and Investment Funds is dependent on a number of key issues:

- the 'architecture' in place (coordination mechanisms, budget decision-making, etc);
- human resources (volume and competence level of people); and
- procedures and tools.

All the elements of these three aspects need to function properly for effective implementation of the Funds.

Structure

Consideration must be given to the basic architecture of the administrative organisation taking into account the number of operational programmes. There must be a clear assignment of responsibilities and tasks to key institutions. Other issues need to be considered such as the level of sub-delegation, the effectiveness of monitoring committees, and the management of partnerships with stakeholders/NGOs, etc.

Human resources

Securing the timely availability of experienced, skilled and motivated staff is a key success factor. The process requires proper job descriptions defining tasks and responsibilities and accurate estimation of the number and qualifications of staff required. The conditions within the administrative system need to be favourable towards recruiting and retaining such professionals. There must be as little political intervention as possible in human resource management.

Systems and tools

Suitable job-aids should be available to enhance the effectiveness of the functioning of the system. These should cover issues such as documentation on methods, guidelines, manuals, systems, procedures, forms, etc. Such systems and tools can transform knowledge within the heads of individual people into explicit knowledge that can be shared across organisations. Efforts should be made to reduce the vulnerability of organisations, for example when key staff leave, and thereby reduce the risk of malfunction and enhance overall effectiveness.

Horizontal tools

Many Member States face common problems and it is important that common 'horizontal' tools are made available for all to use. These tools can focus on common issues such as public procurement management, corruption, project development capacity in the lower tiers of government, etc. They can also include country-specific tools that Member States can access to tackle their own needs.

Best practice 'twinning'

One approach that is being considered is the creation of a 'twinning' system through which Member States can access the expertise of practitioners in other countries where the systems and/or tools are more advanced or better developed. The Commission's approach is largely based on sharing positive messages and enabling and encouraging Member States to share good practices to a much larger extent than now. The Commission is trying to be a catalyst in this process – collecting good practices and making them easily available to others. The ultimate objective is to achieve a higher level of absorption of funds and a reduction in the error rates, and a key factor in this is eliminating bottlenecks at the administrative level.

Competence Centre

To help achieve this objective the Commission has set up a specialised unit, the 'Competence Centre for Administrative Capacity'. Its work programme has two short term objectives:

- Undertaking a stocktaking to draw up country situation files and flush out common problems; and
- Providing guidance to national administrations regarding negotiations on administrative capacity and use of technical assistance for the 2014-2020 period.

It has longer term objectives to develop toolkits and tailor-made support for specific Member States and regions and to devise 'systemic solutions', which will be available for all Member States and regions.

During Open Days 2013, a workshop will be dedicated to these issues under the theme 'The Secrets of EU funds management – or administrative capacity as a key ingredient for an effective and efficient implementation of the European Structural and Investment Funds.'

CHINA, JAPAN AND THE EU

LEARNING FROM EACH OTHER ON REGIONAL AND URBAN ISSUES

Tianjin Harbour, China

China, Japan and the European Union share many common challenges in the field of sustainable regional and urban development. With a view to enhancing regional and local co-operation between them and to promote mutual learning, the Directorate General for Regional and Urban Policy with the support of the European Parliament initiated in 2009 a number of actions involving high level officials in China and Japan (as well as with other strategic partners of the EU). These actions included exchanges of information and best practice, seminars and workshops on policy issues.

China-EU regional dialogue

In 2006, a programme of high level meetings and cooperation activities was launched by the European Commission and the National Development and Reform Commission of China following the signature of a Memorandum of Understanding on regional policy cooperation. This took the form of studies, visits, training, seminars and workshops, alternating between China and Europe, to promote learning and the exchange of information and experience in regional policy.

Indeed, in the area of urban development, the cities of Europe and China both face a twofold challenge: how to improve competitiveness while meeting social and environmental demands. In 2011, China crossed a symbolic threshold with its cities expanding to the point where they accounted for half the national population.

Using the occasion of the Eighth High-Level EU-China Seminar, which will take place in Brussels at the Open Days of Cities and Regions 2013, the two sides will address key issues in urban development, including: improving living conditions for urban dwellers and improving local infrastructure for energy, transport and communication. Specific sessions will consider good practices and opportunities for cooperation between EU and Chinese regions in the field of promoting better-integrated urban-rural territorial development and supporting regional innovation systems.

As with previous seminars, the event provides a platform for participants to exchange views on concrete regional policy experiences. This agenda follows up the conclusions of the previous High Level Seminar on Regional Policy which took place in China in the city of Guangzhou, Guangdong Province, in December 2012.

The two-day event in Guangzhou brought together high level speakers from the European Commission and from selected European regions and, from the Chinese side, speakers from national government and leading provincial authorities (Guangdong, Hunan, Sichuan and Guizhou). Participants

included many high level figures from regional administrations and delegates of the development and reform bureaus of several cities.

The sessions attended by some 90 participants from China and Europe focused on sustainable urban development and urban-rural linkages.

Opening doors in Europe

In 2010, the European Commission launched CETREGIO, a Chinese European Training Series on Regional Policy. The programme aims at strengthening linkages between European and Chinese regions that, in turn, can be developed further – including in the important area of commercial relations – on a bilateral basis.

Training has been organised so as to involve two-week information sessions in at least three EU Member States, covering seminars lectures and field visits to best practice examples in selected focus areas. Since 2010, more than 120 Chinese decision-makers from all 31 provincial-level regions have been able to share experiences and to visit best practices in more than 40 regions in 12 EU Member States, selected in order to represent its geographical diversity.

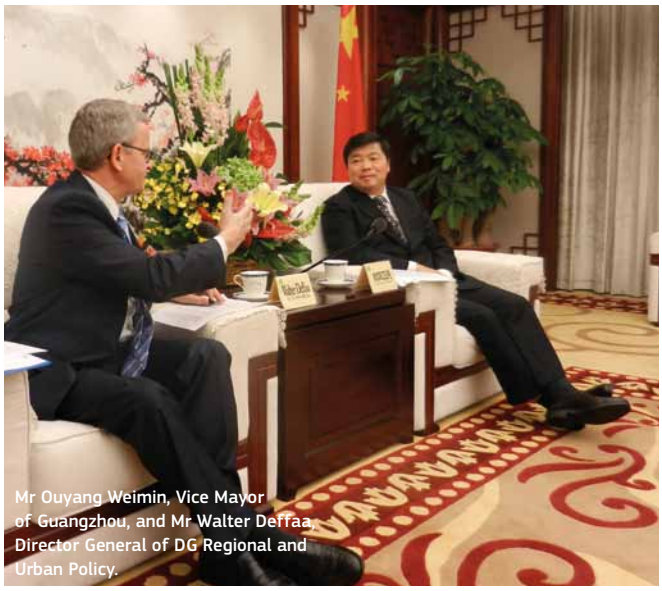
Chinese delegates are mostly senior experts in their respective areas and represent the vast diversity of regional development in China. CETREGIO offers Chinese regional experts a source of reference when setting their own regional development policies.

EU-Japan programme exchange

Since 2012, EU and Japanese cities have initiated a decentralised process of exchange of experience and best practice on urban development issues.

Japan and the EU share many common challenges in the field of sustainable urban development and through the programme the parties are exchanging experiences on topics such as the 'compact city', sustainable development and the competitiveness of big cities.

In May 2012 a seminar on urban development was co-organised in Tokyo by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) of Japan and the European Commission Directorate General for Regional and Urban Policy. It brought together a range of experts, including senior representatives from the cities of Leipzig, Stockholm and Turin on the EU side and Kanazawa, Kitakyushu and Kumamoto on the Japanese side.



Mr Ouyang Weimin, Vice Mayor of Guangzhou, and Mr Walter Deffaa, Director General of DG Regional and Urban Policy.

The Tokyo seminar focused on the topics of particular interest both to Japan and to each of the European cities represented: urban regeneration and urban transport (with Leipzig, Germany), low-carbon cities (Stockholm, Sweden) and support to cultural and creative industries as drivers for urban development (Turin, Italy). Both sides intend that these contact meetings, sponsored by MLIT and by the EU, will initiate a decentralised process of exchange of experience and best practice over the coming years between the cities concerned on urban development themes.

As a follow up, during Open Days 2013 in Brussels a workshop will be organised on the theme of 'Putting urban development into an international context: the EU-Japan programme exchange on sustainable urban development'.

These examples confirm the growing interest in regions and cities outside the EU to cooperate on the theme of regional and urban development policy. Both the European Parliament and the Committee of the Regions have shown intense interest in this field, and in working with the Commission to promote decentralised cooperation on a global scale.

▸FIND OUT MORE
http://ec.europa.eu/regional_policy/cooperate/international/index_en.cfm

MACRO-REGIONAL APPROACH

DANUBE AND BALTIC STRATEGIES SHOW THE BENEFITS

The Vidin-Calafat Bridge between Bulgaria and Romania

Since 2009 the Directorate General for Regional and Urban Policy has been engaged in a new approach to tackling problems of a cross-regional nature. A new 'macro-regional strategy' has been applied to the Baltic region and subsequently to the Danube area. A first progress report just published by the European Commission highlights how the new macro-regional approach has created hundreds of new projects and helped to formulate joint policy objectives in areas of vital importance for the regions involved. New plans are being developed for other regions.

The EU's Baltic and Danube strategies, involving over 20 EU and non-EU countries, have pioneered a unique kind of cooperation, based on the idea that common challenges faced by specific regions – whether environmental, economic or security related – are best tackled collectively, and that it makes sense to plan together for the most effective deployment of the funds available.

It was initially the environmental deterioration of the Baltic Sea that triggered the need for a concerted macro-regional response to the challenges and opportunities in that region. This resulted in the EU Strategy for the Baltic Sea Region (EUSBSR), adopted in 2009. The EU Strategy for the Danube Region (EUSDR) was adopted in June 2011.

The two strategies sought to place issues in a multilateral setting, and to reach out beyond current EU borders to work as equals with neighbours. The thinking was to encourage participants to overcome not only national frontiers but also barriers to thinking more strategically and imaginatively about the opportunities available.

The approach provides an integrated framework bringing together Member States and third countries in the same geographical area to address common challenges. The overriding aim of a macro-regional strategy is to mobilise new projects and initiatives and the approach offers many potential benefits in terms of strengthened cooperation for economic, social and territorial cohesion.

EU Strategy for the Baltic Sea Region (EUSBSR)

The eight EU countries that make up the Baltic Sea Region (Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland and Sweden) face several common challenges which are reflected in the jointly-agreed Action Plan for the Strategy.

This includes a number of priority areas, each accompanied by concrete flagship projects as well as clearly identified targets and indicators. The Strategy helps to mobilise all relevant

EU funding and policies and coordinate the actions of the European Union, EU countries, regions, pan-Baltic organisations, financing institutions and non-governmental bodies, to promote a more balanced development of the Baltic Sea Region. The Strategy also encourages cooperation with neighbouring countries including Russia and Norway.

The projects cover three key objectives: 'Save the Sea', 'Connect the Region' and 'Increase Prosperity'. Flagship projects under this programme include:

- **The Baltic Deal** works with farmers to help reduce nutrient losses from farms, and maintain production and competitiveness.
- **Efficient, Safe and Sustainable Traffic at Sea (EfficienSea)** makes the Baltic Sea Region a pilot region for e-Navigation and is developing and testing infrastructure and services for e-Navigation and is sharing good practice widely.
- **Baltic Manure** is turning manure from an environmental problem into an opportunity for business innovation. The project is producing renewable energy and organic fertilisers.
- **BSR Stars** aims to boost regional competitiveness and growth through transnational research and innovation links, tackling common challenges in areas like health, energy and sustainable transport.

EU Strategy for the Danube Region (EUSDR)

The EUSDR covers nine EU countries (Austria, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Romania, Slovak Republic and Slovenia) and five non-EU countries (Bosnia and Herzegovina, Moldova, Montenegro, Serbia and Ukraine).

The importance of the Danube Basin for the EU cannot be underestimated. The policies and the investments made in the Basin through the EU's cohesion policy in particular have an impact on the livelihoods of 20 million citizens. They represent a well targeted policy to meet the region's ecological, transport and socio-economic needs.

The EU Strategy for the Danube Region has four main pillars: 'Connecting the Region', 'Protecting the Environment', 'Building Prosperity' and 'Strengthening the Region'.

Some key projects include:

- The completion of the **Vidin-Calafat Bridge** between Bulgaria and Romania – a vital link on a key priority route of the Trans-European Transport Network (TEN-T). The bridge is only the second one along the 630 km river section of the border.
- The **Danube Shipwreck Removal** project aims to remove shipwrecks from the Danube, Sava and Tisa in Serbia, Romania and Bulgaria and improve navigation and ecological conditions.
- The **Danube Region Business Forum** provides an important networking platform for over 300 SMEs. It encourages business-to-business meetings and supports links with knowledge providers such as research institutes and universities.
- Work has started to create a **Danube Research and Innovation Fund**, pooling national and regional funds and building on the experiences of the BONUS programme in the Baltic Sea Region.
- The **Danube Floodrisk** project promotes cooperation methods with 19 institutions in eight Danube countries, sharing databases and flood mapping. The European Flood Awareness System (EFAS) is carrying out complementary work.

TOWARDS AN EU STRATEGY FOR THE ADRIATIC AND IONIAN REGION (EUSAIR)

At the European Council of 14 December 2012, EU Heads of State and Government invited the European Commission to put forward a proposal for a new Macro-Regional Strategy for the Adriatic-Ionian Region before the end of 2014.

The EUSAIR, which builds on the Maritime Strategy for the Adriatic and Ionian Seas adopted by the Commission in 2012, will cover eight countries: four EU Member States (Croatia, Greece, Italy and Slovenia) and four non-EU countries (Albania, Bosnia and Herzegovina, Montenegro and Serbia). This strategy will promote the economic and social prosperity of the region by improving its attractiveness, competitiveness and connectivity. The EUSAIR will take into account the work already done by the Adriatic-Ionian Initiative that in 2000 gathered the same countries from the region around some common goals.

During the Greek Presidency of the Council of the EU a large event will be organised in Athens on 6-7 February 2014, where the results of intensive stakeholder consultations on the Strategy pillars will be presented. The aim is to make a focused strategy with pragmatic, realistic and measurable common objectives that will strengthen complementarity, coherence and collaboration in the region. The formal adoption is expected in the second semester of 2014 under the Italian Presidency of the Council of the EU.

The EUSAIR implementation will be assisted by the transnational cooperation programme which will support the cooperation at all levels within the countries covered by the Strategy.

> If we want to ensure lasting success the approach must be placed at the heart of government and regional policy plans.

Johannes Hahn – European Commissioner for Regional Policy

The islet of Sveti Stefan, Montenegro

Cost-neutral

The Baltic and Danube macro-regional strategies operate with no additional EU funds, no new institutions, and no new legislation. Achieving this has required more coherence between funds, structures and policies. Implementing the strategies has required the creation of working structures around priority areas, selected in a bottom-up process of consultation with political leadership in each area assumed by the participating countries, regions or organisations, supported by the Commission as the facilitator.

The implementing reports of the EUSBSR and the EUSDR highlight the fact that macro-regional strategies have helped to develop new projects or have given momentum to existing transnational projects. Flagship projects in the Baltic Sea region alone number over 100 and these are accompanied by many other spin-off projects, while over 400 projects totalling some EUR 49 billion have been proposed for the EUSDR, of which 150 are already in the implementation stage.

Macro-regional strategies are creating regional building blocks for EU-wide policy and are helping to shape national approaches which make EU-level implementation more coherent. The macro-regional work has, for example, had a particular impact on the Integrated Maritime Policy, the Trans-European Transport Network (TEN-T), the Trans-European Energy Network (TEN-E), and civil protection cooperation.

Improved value for money

Making money work harder is important at a time of restricted budgets and the macro-regional approach has demonstrated an ability to help align EU programmes to act together on major shared goals.

In the absence of additional EU money, the project leaders are obliged to seek external funds more actively. This has stimulated the Danube Finance Dialogue, which helps match project ideas to funds and brings together project promoters with banks, international financing institutions and funding programmes. It has also given rise to the EUSBSR Seed Money Facility, which provides seed funding to develop project ideas to the point of loans or grants.

Indeed the macro-regional strategy is also seen to be encouraging a pooling of resources. It is improving the potential for creating seed/early-stage and venture funds in the macro-regions since few countries have a sufficient 'deal-flow' to support and sustain such specialised funds and the macro-region may provide a sufficient critical mass.

The private sector is also involved, whether through work with the Baltic Development Forum, or through public-private projects such as the removal of shipwrecks from the Danube, Sava and Tisa.

Resources have also been mobilised by Member States for higher-level priorities and to implement initiatives in the framework of the macro-region strategies.

Improved cooperation with neighbouring countries

The two strategies are helping improve cooperation with neighbouring countries. In the EUSBSR, Russia, though not part of the strategy itself, has given its agreement on a list of common projects. Norway and Iceland have also been actively involved, especially on logistics and social issues.

In the EUSDR, where some non-EU countries could be potential candidates for joining the Union, the strategy is providing

Ventspils, Latvia

The Baltic Deal project works with farmers across the region.

valuable experience and serves as a platform and an opportunity to experience EU policies and processes through common activities.

Results and conclusions

Commenting on the report, Commissioner Johannes Hahn said: 'The study shows the clear value of our macro regional strategies. Their intensified cooperation has resulted in literally hundreds of new projects and new networks in the Danube and the Baltic regions, in areas such as transport, energy supply, security or the fight against organised crime. Above all, participants tell us that cooperation – including with non-EU Member States - has been significantly strengthened.'

'But, if we want to ensure lasting success the approach must be placed at the heart of government and regional policy plans – particularly in the design of new programmes and projects for the next financial period – and backed up by enough resources.'

The report reminds governments of the need for political commitment and for making the strategies a priority across all relevant policy areas, ensuring they are embedded in future European Structural and Investment Funds programmes, as well as other relevant EU, regional and national policy frameworks. It also underlines the importance of administrative resources to deliver the objectives.

'It needs a comprehensive strategy driven from the level of the prime minister's office reaching across environment, SMEs, tourism, culture, transport, etc. It must be organised as a cross-development strategy involving different ministries, non-governmental organisations, and needs appropriate resources and staffing. It requires stronger ownership in the regions themselves.'

Over the last two years other regions have been discussed including a recent resolution from the European Parliament on the feasibility of a macro-regional strategy for the Alps. Member States and the European Council have invited the Commission to draw up an EU Strategy for the Adriatic and Ionian Region (EUSAIR) by the end of 2014.

Commissioner Hahn stresses that new initiatives should clearly demonstrate added-value at EU level and thus only be launched if there are clear needs for improved and high-level cooperation. These should be of strategic importance for the macro-regions and translated into a limited number of well-defined objectives with an appropriate set of indicators to measure progress.

'The strategy will only be successful if we can implement concrete projects that contribute to the goals of the region. And we must be able to see the value added of regional coordination in meeting these goals,' the Commissioner concludes.

▸FIND OUT MORE

www.ec.europa.eu/regional_policy/cooperate/macro_region_strategy/index_en.cfm

EU Strategy for the Danube Region:
www.danube-region.eu

EU Strategy for the Baltic Sea Region:
www.balticsea-region-strategy.eu

EU Strategy for the Adriatic Ionian Region:
www.ec.europa.eu/regional_policy/cooperate/adriat_ionian/index_en.cfm

Adriatic-Ionian Initiative:
www.faic.eu/index_en.asp

IN YOUR OWN WORDS

NATIONAL AND REGIONAL PERSPECTIVES ON COHESION POLICY

Panorama welcomes your contributions!

In Your Own Words is the section of *Panorama* where the key 'consumers' of cohesion policy at the national and regional level are invited to make their voices heard and give their feedback on European policy in action at the local level, whether with a focus on current achievements and successes, or an insight into preparations for the next programming period.

With more than 270 regions across the 28 EU Member States, each with its own specific economic and cultural history and needs, it is important that policy makers, administrators and officials at all levels are aware of the real impact that cohesion policy is having at the grass roots level.

In this edition, *Panorama* presents the views from three Member States and regions who are looking ahead to their plans for the implementation of the Structural and Investment Funds in the next programming period from 2014 to 2020.

The Czech Republic and Belgium's Brussels Capital Region outline their approaches to identifying priorities for the future, building on the experience of current programmes. Meanwhile Noord-Brabant in the Netherlands highlights its innovative and entrepreneurial environment.

Panorama welcomes your contributions which we may feature in future editions:
regio-panorama@ec.europa.eu

NETHERLANDS

BRABANT, EUROPE'S HEART OF SMART SOLUTIONS

Noord-Brabant is ready for the new period of European programmes. After two years of working together intensively with the other Southern Netherlands provinces on a joint programme and strategy, based on European targets, the finish line is in sight.

The Dutch region of Noord-Brabant plays a prominent role in the economy of the Netherlands. Its share in the Dutch gross national product, the number of companies, the number of people employed and the number of patents, inventions, and innovations it produces every year is far above the Dutch average. Noord-Brabant is also the home of the Eindhoven/Brainport area, Europe's third leading technological region.

High tech, high touch

Noord-Brabant belongs to the top regions of Europe in terms of innovation. Noord-Brabant has the ambition to maintain and strengthen this position, to be 'Europe's heart of smart solutions'. The region is grounded in a traditional, but very competitive manufacturing sector but also has a strong innovative sector (e.g. high tech, logistics, and design). Tradition and technology, the combination of high tech and high touch, is so abundant in Noord-Brabant that it is the foundation for success.

Operational Programme

To realise its ambitions it is necessary that Noord-Brabant and its regional partners specialise in certain economic activities. Currently Noord-Brabant is finishing its preparation for the new Operational Programme (OP) 2014-2020 in cooperation with the other Southern Netherlands provinces of Zeeland and Limburg. Under this flag a Smart Specialisation Strategy (S3) has been created. The following economic clusters have been given extra attention in the new OP: food, life/health sciences, biobased economy, high-tech systems and materials, logistics, and maintenance. Also regional cross-border cooperation remains a key priority.

The High Tech Campus Eindhoven is the smartest square kilometre in the Netherlands with more than 100 companies and institutes, and some 8 000 researchers, developers and entrepreneurs working on developing future technologies and products. The Campus helps accelerate innovation by offering easy access to high tech facilities and international networks.

Unique interaction

The key for creating a successful entrepreneurial environment in the Southern Netherlands and in particular in Noord-Brabant is not only about 'what we do' but also 'how we do it'. The S3 strategy is explicitly based on input from across the triple helix: governments, business and knowledge institutes. Noord-Brabant has extended its triple helix network by attracting new, economic partners such as hospitals, transportation companies, energy companies and interest groups of citizens. Under the current programme 2007-2013 more than 600 projects have been launched of which 400 projects have been initiated by small and medium sized businesses (SMEs).

European Entrepreneurial Region 2014

Noord-Brabant shows a clear commitment to the triple helix approach with the aim to promote an excellent entrepreneurial climate, especially for SMEs. Recently this commitment has been rewarded by the Committee of the Regions with the prestigious 'European Entrepreneurial Award 2014'. On the road to 2020 Noord-Brabant is confident that this triple helix method will prove to be the right approach, again.

Bert Schampers and Lieke van Alphen
Advisers Public Affairs
Province of Noord-Brabant

▸FIND OUT MORE
www.brabantsmartsolutions.com

▸CZECH REPUBLIC

▸PREPARATIONS FOR THE NEW 2014-2020 PROGRAMMING PERIOD

THE MAIN OBJECTIVE IS A TIMELY START

Although intensive work on the new programming period already started in 2010, there is still much work ahead of us if we want to make sure that the utilisation of European funds begins in early 2014. Although the regulations dealing with the framework of EU funds are yet to be approved half a year before the start of the future programming period, the Czech Republic already knows its primary strategic priorities and the outlines of the structure of future programmes, the main objective of which is promoting growth and increasing competitiveness of the Czech Republic as a whole.

The fact that tangible use of resources in the current programming period started with a year's delay in the Czech Republic shows that proper and timely preparation cannot be underestimated this time. Planning for the 2014-2020 programming period is the responsibility of the Ministry of Regional Development – National Coordination Authority. In connection with the preparatory work, it is building in particular on the experience acquired, and applying the principle of partnership; it is also involving a broad range of experts and its own team. An informal dialogue has been taking place since early this year with representatives of the European Commission, assisting in preparing the Partnership Agreement, the strategic document for utilising the resources of the Common Strategic Framework for the next period. A draft of

the Partnership Agreement, which the Czech government has already discussed, will be elaborated on and submitted to the European Commission in the autumn. Intensive preparations are taking place at the level of programmes, unified methodological environment, and strategies whose aim is to promote stability of human resources and to simplify and improve transparency of the management and control systems in the Czech Republic.

The Czech Partnership Agreement clearly states the national developmental priorities, the fulfillment of which will be the objective of the seven-year period. The priorities, but also the biggest barriers to Czech competitiveness, can together be termed '4I' – infrastructure, institutions, innovation and inclusion. Supporting these areas will help the Czech Republic become a good place to live and at the same time an attractive place for investment and business.


'Benefits of cohesion policy' conference.

The future and past of the Structural and Investment Funds cannot be separated. The practice obtained in connection with the current programming period is being used to prepare the 2014-2020 period. It takes into account the positive experience that clearly shows what was successful, but it also takes into consideration the errors that occurred and cannot be ignored. Learning from mistakes in this case is the most valuable experience. It is not possible to assume that such a complex and complicated system as the Structural and Investment Funds can be navigated without shortcomings, but it is also necessary to separate formal errors from intentional ones.

This is what the participants at the conference 'Benefits of cohesion policy', which took place on 20 June 2013 in Prague, agreed on and stressed in their contributions. The representatives of European institutions, national implementation structures, beneficiaries of EU support, and experts debated not only the explicitly positive results and specific benefits of EU funds for the Czech Republic (such as over 70 thousand new jobs or improvement in the public administration services) at this conference.

Cohesion policy is generally perceived as a great opportunity for future investment. One needs to be aware, however, of the shift from the original compensation nature of the policy to one that promotes growth, competitiveness, innovation and the knowledge economy. We expect that this shift will manifest itself in the spectrum of supported projects, which will demand more effective use of resources and more visible results in the future programming period. Implementation of strategic and effective project management, synergies between cohesion policy and other national strategies, and observance of the principal of partnership of all involved authorities in connection with its execution are all important pieces of knowledge that the Czech Republic will apply when coming to the closure of the current programming period and preparing the future one.

Ministry of Regional Development
National Coordination Authority

FIND OUT MORE
www.mmr.cz

BELGIUM

THE ERDF IN THE BRUSSELS CAPITAL REGION

In the face of significant challenges, particularly in terms of unemployment and economic and sustainable development, the Brussels Capital Region has tried to respond in ways that are consistent with the new regulations and, above all, that complement its own initiatives.

The regional authorities have sought to avoid the pitfall of distributing ERDF funding among the usual operators. First of all, they sat all the partners around the table and developed a coherent assessment of the Region, highlighting its strengths and weaknesses.

The Brussels-Capital Region has organised a series of events to discuss the challenges and priorities for the future ESIF programmes.

On 15 March 2013, over 200 representatives of regional bodies, representatives and operators participated in the partnership method launch event, with European Commission representatives also present. Then, on 24 April, about 40 experts on different topics met to provide input for debate on the challenges of the future programmes that had been identified in the assessment. The debate highlighted the possible synergies between the funds and the need to work on an industry-by-industry basis, linking employment and training to investment in sustainable development, innovation and small and medium-sized enterprises. In June and July, more than 100 participants attended three themed workshops designed to establish the priorities and measures of the ERDF and ESF operational programmes.

Rather than just supporting operators' projects in isolation, the Managing Authority wished to guide all of them in a joint approach, bringing together the partners of the future and demonstrating the benefits of working together around two important issues: developing integrated economic sectors and the issue of socio-economic and regional polarisation.

During the 2007-2013 period, some beneficiaries, for example, demonstrated the benefits of presenting a unified image of the districts of the Region's former industrial centre. Others worked together to stimulate six industrial sectors linked to the environment, analysing the opportunities for creating or developing businesses and offering a wide, coordinated range of support for businesses in these sectors.

The region's small size and the proximity of its economic stakeholders constitute real assets, and the authorities believe that future jobs will be created by stimulating synergies and taking an integrated approach. This will make it possible to promote the testing and development of new methods by some businesses, to speed up the adoption of these methods by others, and to enable yet other businesses to train up staff in good time who will be able to meet a demand or respond to a market opportunity... in a nutshell, to improve forecasting, response and collaboration.

In line with the Europe 2020 strategy, the Brussels Capital Region's operational programme will be open to innovation, the environment and inclusiveness. And the Region therefore expects that selected projects do not limit themselves to only one of these dimensions.

ERDF programming will focus on the process of revitalising the chosen economic sectors as a whole by using certain existing levers: it will monitor and support some initiatives and will promote public or private co-financing with a view to boosting the coherence of the selected sectors.

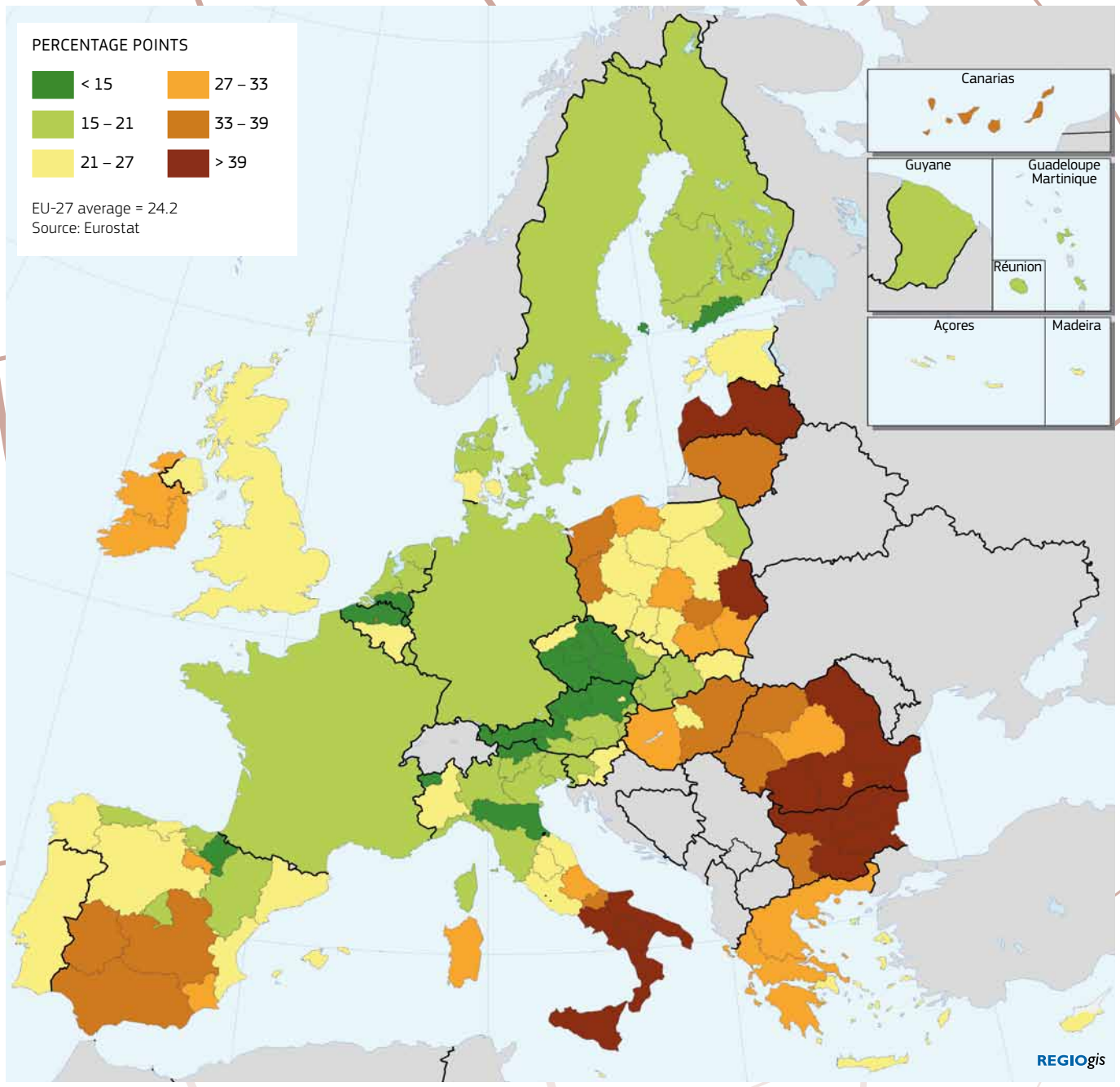
In order not to dilute funds, the ERDF allocation will be allocated as a priority to sectors targeting a reduction in CO_2 emissions or looking to improve their energy and environmental impacts and, finally, which will produce jobs likely to mesh with the local workforce capacity. Projects which have a less than local appearance could still be selected. But the regional authority will be attentive to the real leverage they can generate: a leverage effect on a sector which, thus stimulated, will in turn be able to recruit (short or medium term) profiles corresponding to the workforce available at a local and regional level.The Region will also make sure it complies with the principle of smart specialisation and that it uses and develops the tools put in place during previous programming periods, such as Brussels Greenbizz, the future environmental incubator.

Sandrine Vandewattyne
Communications Officer
Brussels Regional Public Service,
Regional Coordination, Coordination
and Management Unit ERDF 2007-2013

▸FIND OUT MORE
www.feder.irisnet.be

POPULATION

AT RISK OF POVERTY OR SOCIAL EXCLUSION, 2011

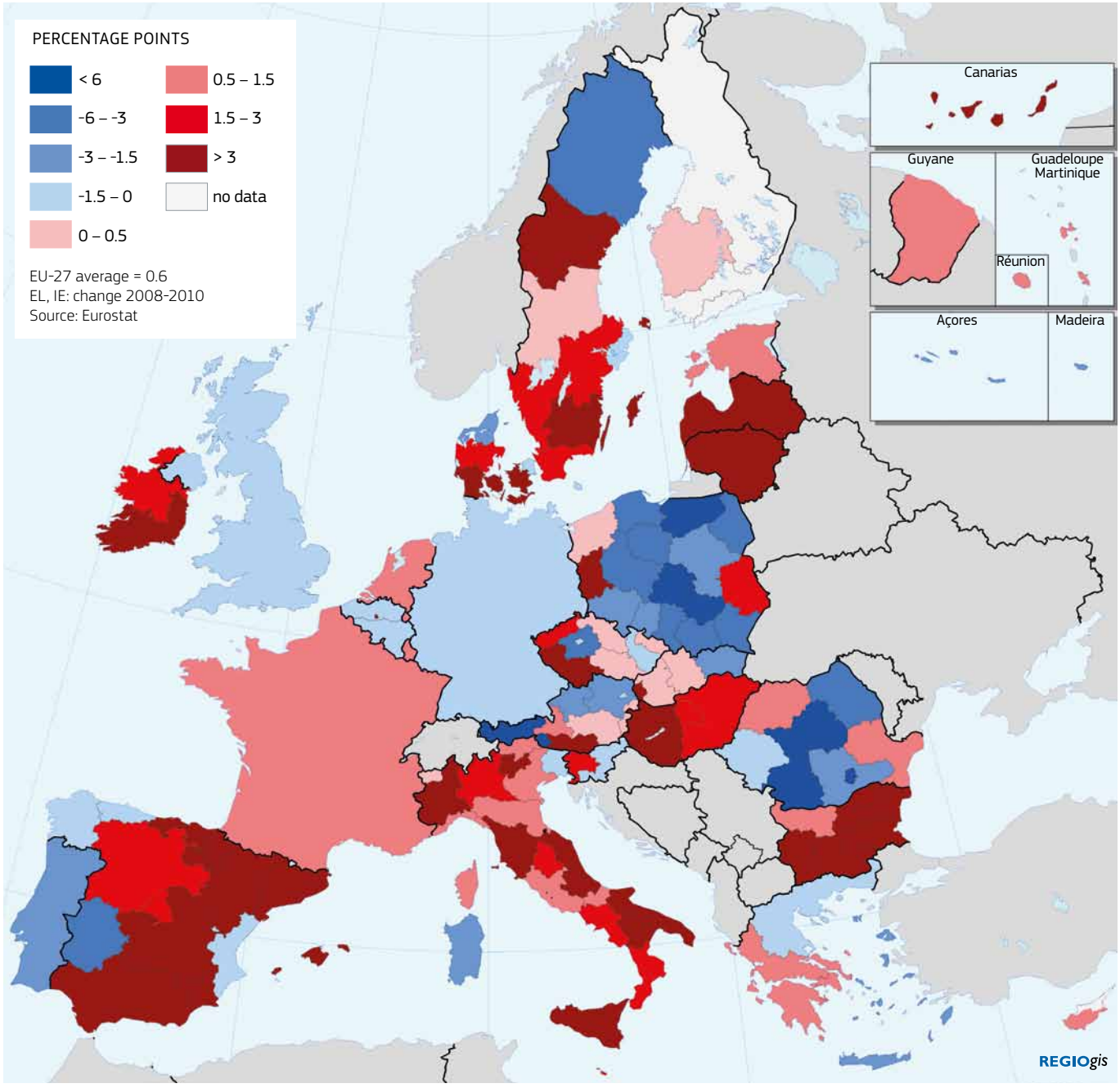


In 2011, the highest rates for people at risk of poverty or social exclusion were recorded in Bulgaria, the south and east of Romania, Latvia and southern Italy. In the same year, very low poverty rates were registered especially in regions in Austria, Czech Republic and northern Italy.

At EU level, the economic crisis increased the population at risk of poverty or social exclusion. Between 2008 and 2011, the share increased by 0.6 percentage points. This impact is likely to be felt more in the future as the crisis is not yet over and the effect takes time to filter through.

CHANGE IN THE SHARE OF POPULATION

AT RISK OF POVERTY OR EXCLUSION, 2008-2011



The impact on the risk of poverty or exclusion was the highest in the six Member States most affected by the crisis (Estonia, Greece, Ireland, Latvia, Lithuania and Spain), but the impact in Italy and Bulgaria was also significant. Several of the large Member States, however, only saw small increases, such as Germany and the UK, or even experienced a slight reduction in the risk of poverty or exclusion, such as Poland and Romania.

NEWS [IN BRIEF]

100 EURBAN SOLUTIONS PHOTO EXPO

This year OPEN DAYS will feature a new visual aspect. The '100 EUrban solutions' exhibition, taking place in several of the OPEN DAYS event venues, as well as outdoors in the streets of Brussels, illustrates urban solutions based on case studies and transferable good practices (e.g. waste/water treatment; public transport; housing; etc.), capitalising on the achievements of the 2007-2013 programming period. The photographic images and accompanying texts will also be published online for those unable to make it to Brussels.

FIND OUT MORE
http://ec.europa.eu/regional_policy/conferences/od2013/exhibitions.cfm

GIVING OUR PROJECTS **VISIBILITY**

More than 120 members of the INFORM network of ERDF & Cohesion Fund communication officers met in Budapest on 30-31 May to exchange experiences, present lessons learnt and to establish good practice.

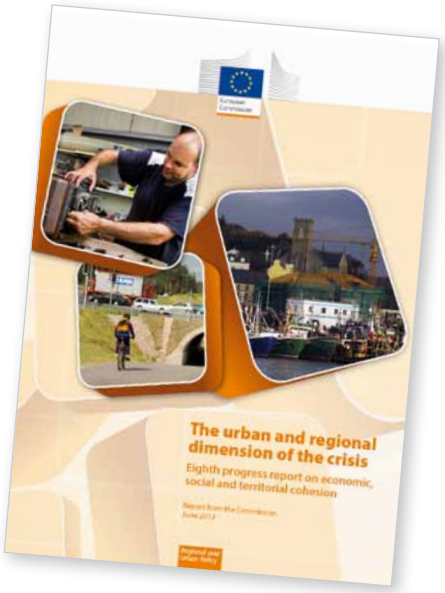
Two topics received particular attention: how to involve beneficiaries in communication activities from the outset of a project (a Maltese case study focussed on this), and the preparation of communication strategies for the next funding period (4 regions in the Netherlands are working together on a single strategy).

The agenda and all other presentations are on the INFORM network events page. Meanwhile, preparations are well-advanced for the forthcoming 'Telling the Story' conference in Brussels on the 9-10 December 2013. This major conference, organised by DG Regional and Urban Policy in co-operation with DG Employment and Social Affairs, is dedicated to highlighting the importance of communicating the achievements of the EU's cohesion policy.

Highlights will include the presentation of good practice in communication in the Member States, the final version of the Information and Communication rules 2014-2020, and the Eurobarometer 2013 results on 'Citizens' awareness and perceptions of EU Regional policy'.

In addition there will be workshops/panel discussions on selected communications issues (social media, information campaigns, open project days, etc.) and hands-on training. The aim is to provide timely, useful know-how to Managing Authorities, before the finalisation of programme communication strategies.

FIND OUT MORE
http://ec.europa.eu/regional_policy/informing/events/201305/index_en.cfm



8TH PROGRESS REPORT: COHESION POLICY IS NEEDED MORE THAN EVER

Between 2008 and 2012, unemployment increased in four out of five regions in the EU. In addition, GDP shrank in two out of three regions between 2007 and 2010. This crisis has a widespread effect including both more and less developed regions. As a result, the disparities between EU regions have started to grow again after a long period of convergence.

This dramatic reversal of fortune is highlighted in the 8th progress report on economic, social and territorial cohesion: 'The regional and urban dimension of the crisis', adopted by the European Commission today. It reveals the staggering reductions in regional employment and Gross Domestic Product, housing prices and disposable household income. It shows that while Foreign Direct Investment and exports volumes recovered quickly from the crisis, import volumes are still significantly below its pre-crisis level.

▸FIND OUT MORE
http://ec.europa.eu/regional_policy/information/reports/index_en.cfm

EXTREMADURA PRESENTS ITS SMART SPECIALISATION STRATEGY

On 24 June the Spanish region of Extremadura presented its Smart Specialisation Strategy (RIS3) at the Committee of the Regions in Brussels. The regions' Vice-President Cristina Teniente and DG Regional and Urban Policy Director Raoul Prado stressed the importance of this strategy as a tool of regional economic transformation, crucial for optimising the use of funds in the 2014-2020 period.

Extremadura has included its Smart Specialisation Strategy within its innovation and enterprise strategy, called ONE (Organising a New Extremadura), making it one of the main pillars of its regional economic structure. The strategy concentrates on four themes: long term management of natural resources, high added-value food industries, renewable energy, and tourism based around quality of life. These four themes will be the starting point for a strategy which is flexible enough to be revised and modified throughout the programming period, to best allow it to stimulate the region's strengths.

The presentation also highlighted the way the development of the strategy actively engaged local stakeholders via a forum organised in February 2013 attended by over 500 citizens, academics, entrepreneurs and local authority representatives, so as to help define future priorities. The next step will be the submission of the RIS3 strategy for approval by the European Commission, as part of Member States' *ex-ante* conditionalities.

▸FIND OUT MORE
http://one.gobex.es

Total cost:
EUR 3 496 000
EU contribution:
EUR 1 000 000

EAST OF ENGLAND, UK

ELECTRONIC SENSOR

SAVES RESOURCES BY MONITORING WATER PIPELINES

Water losses from underground pipelines cost millions in wasted water. The UK company Syrinix Ltd has developed a smart water pipeline monitoring system to detect leaks and alert the repair teams.

Based in Norwich, UK, Syrinix is a young SME that has developed sophisticated sensor and signal processing devices for monitoring water trunk mains.

The company's development has been supported by equity funding from the Low Carbon Innovation Fund (LCIF), a local early-stage venture capital fund which is co-financed by the European Regional Development Fund (ERDF), amounting to equity funding of £ 810 000 (EUR 1 million) for Syrinix. The LCIF always invests alongside private co-investment; it can also pool co-investment needed for projects from other 'angel' investors.

In 2010 Syrinix launched TrunkMinder, a smart water pipeline monitoring system which uses sensors placed at 500 to 750 metre intervals along pipeline systems. The sensors detect tiny leaks and then transmit an automatic alert directly to the relevant utility, which is then able to repair the leak before a pipe bursts or any more water is lost.

The smart monitoring system is already being used by water utilities across the UK and saving millions in time, labour and resources.

TrunkMinder provides infrastructure managers with key notifications on leak location – accurate to the metre – an early warning to prevent catastrophic mains failure, and instantaneous burst alerts.

Syrinix has also developed TransientMinder which reduces the harmful impact of pressure transients. Activities such as valve closures or rapid openings can have a potentially damaging impact, with pressure transients causing fatigue and sometimes catastrophic damage to other components within the local pipe network.

In the past two years Syrinix has become a leading expert in water sector infrastructure management technology and is negotiating with utility companies in Australia, the USA, the Middle East and the Far East.

The LCIF makes early-stage equity investments in SMEs within the East of England that are developing new and innovative products or processes in a low carbon, environmentally sensitive manner. The Fund operates with £20.5 m (EUR 25.3 m) from the ERDF which is matched by more than £17 m (EUR 21 m) private sector investment – generating a total over £ 50 m (EUR 61.7) of investment in the East of England. The Fund runs until December 2015.

FIND OUT MORE
www.syrinix.com
www.lowcarbonfund.co.uk

ANDALUCÍA, SPAIN

ENERGY EFFICIENT

LIGHTING SYSTEMS FROM ANDALUCÍA

Total cost:
EUR 10 295 000
EU contribution:
EUR 1 153 000

Barbate, located in Cádiz in southern Andalucía, is one of the municipalities most severely afflicted by unemployment in Spain. With an economy based on fisheries and tourism, Barbate is going through one of the most difficult periods it has ever experienced.

However, since 2009 the town has played host to one of the most significant business initiatives in Andalucía, Light Environment Control SL (LEC), a company which, with the support of EU funds, has triggered considerable improvement in the damaged local economy. Specifically, 82 direct jobs have been created, the majority of them for highly specialised engineers, and this is also helping to retain the talents of Andalusians who, without this project, would not be able to develop their careers in Spain.

LEC was established in 2009 following four years of research into the development of a more efficient and less expensive lighting system. Public administrations and businesses recognise that lighting is one of their highest fixed costs.

In 2007 during its research phase, LEC illuminated the first European city with remotely controlled LED technology. The positive response from administrations and businesses encouraged them to go further and to research, design and manufacture their own lights.

In 2009 construction began of an R&D+i (research, development and innovation) and LED technology production centre. The 6 500 m^2 building houses a machining centre, electronics 'clean room', a painting area, a luminosity labelling area and an assembly area.

LED lights significantly reduce energy consumption, and, consequently, spending; they are 100% recyclable, and, in contrast to conventional lighting, do not contain any pollutants such as lead, cadmium or mercury. Furthermore, they produce no infra-red or ultra-violet rays and generate less heat, resulting in less energy wastage and reduced air conditioning consumption.

With its acquired expertise LEC has developed internal and external lighting solutions, as well as proprietary software StelUrban, to control street lighting. This adapts lighting to needs in real time, thus producing additional energy savings. The software is cloud-hosted, so that it is possible to access it from any mobile device. In addition, it features an alarm system that alerts users to possible unauthorised connections or consumption, or any other malfunction in the installation.

Control over the entire production process allows the company to customise solutions tailored to customers' needs. LEC is currently considered to be the top LED manufacturer in Andalucía, and one of the largest in Spain. It is carrying out lighting projects in countries such as Mexico, Brazil, Peru, and Morocco, and has received the University of Seville's Innovation Prize and the Andalucía Regional Council's commendation in the category of innovation and scientific achievement.

FIND OUT MORE
http://www.lecsl.com/web/?lan=en

EUROPEAN TERRITORIAL COOPERATION

SHARING EXPERIENCE

IN FINANCING PROJECTS FOR SMEs

Total cost:
EUR 1 995 000
EU contribution:
EUR 1 567 000

The FIN-EN project is helping Member States share information and good practice in using financial engineering instruments and private finance to support SMEs.

Financial engineering instruments (FEI) are an option offered by the European Commission to Member States to deliver policy objectives. They come in various forms such as loans, loan guarantees, equity, venture capital and micro-finance. They permit Member States to involve private sector capital and use public sector resources more efficiently in implementing projects.

Used in the right circumstances and in the right way, financial instruments can play a key role in maximising the efficiency and effectiveness of regional policy delivery – a clear priority in the current economic and financial context. Recent data shows that each euro of public resources leveraged between one and two euros in loans, between one and three euros in equity investments and between one and eight euros in guaranteed loans.

The FIN-EN project 'Sharing Methodologies on Financial Engineering for Enterprises' involves 13 partners from 13 countries, and aims to analyse and share the experience of regional and national authorities across Europe so that financial engineering instruments are used most effectively.

Under the project led by Italy's Finlombarda S.p.A., an institution affiliated to the Lombardy Region, and funded through the INTERREG IVC programme for European Territorial Cooperation, a pan-European network of FEI users has been established to provide a platform for discussing each phase of the implementation process – programming, implementation and monitoring and reporting – in order to find concrete solutions to similar problems.

A comprehensive database is being developed with information on financial engineering instruments implemented by partners. The experience in using some 45 financial instruments has been analysed – 6 guarantee schemes, 10 loan schemes, 13 equity and 16 combined.

A website has been developed to make information about the various financial instruments readily available. It will also provide financial engineering guidelines focusing on traps to avoid, best practices to adopt and clear rules on the setting up and implementation of financial instruments and involving potential financial intermediaries.

Cooperation and exchange of good practice among participants are promoted through the organisation of thematic working groups, study visits and information dissemination.

The new European Structural and Investment Fund Regulations for 2014-2020 are pushing for a wider adoption of FEI within cohesion policies. The experience gained through the three year project which runs until December 2014 will help promote a greater use of such financial vehicles in the next programming period and provide support to a greater number of SMEs.

FIND OUT MORE
www.fin-en.eu

Total cost:
EUR 1 844 000
EU contribution:
EUR 464 000

▸STŘEDNI ČECHY, CZECH REPUBLIC

▸REFURBISHED SCHOOL

TO REINTEGRATE DISADVANTAGED YOUNGSTERS

The Vocational Centre and Practical School in Kladno–Vrapice, Czech Republic, is helping provide disadvantaged children with practical skills and an apprenticeship certificate that will help them enter the labour market.

A school located in an industrial area on the outskirts of the Prague metropolitan area has been modernised and refurbished to be an effective and progressive training institution which can help the youngsters at the margins of society to learn new skills and get a job.

The Vocational Centre and Practical School (Odborné učiliště a Praktická škola) in Kladno–Vrapice has undergone a major make-over involving the reconstruction of 750 m^2 of the school roofing to include loft classrooms and the addition of significant new school facilities.

To finance the renovation work the school has received CZK 47.7 million from a variety programmes including a subsidy of CZK 12 million from the ERDF's Regional Operational Programme for the Central Bohemia Region.

The school complex now includes a special advisory centre, a school office as well as six new classrooms used by apprentices and their tutors. In addition to extra school rooms under the roof, the school now features a state-of-the-art kitchen where trainee nurses, for example, can learn to cook hot meals or prepare beverages.

To help disabled students a barrier-free entry has been built, equipped with an elevator, which facilitates access and allows them to study for a certificate of apprenticeship as a gardener or electrician.

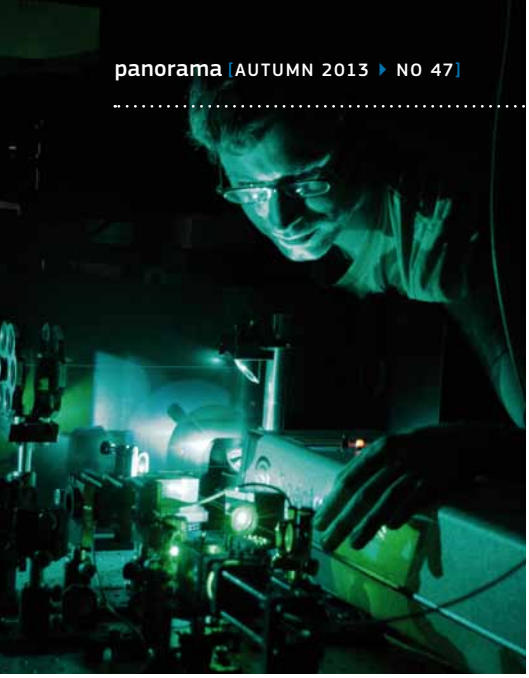
Apprenticeship courses are offered to qualify students as carpenters, electricians, florists, paramedics, nurses, caterers, painters and decorators, locksmiths, bricklayers etc.

The school accommodates students from families with only basic education such as Romanies so they have a chance to acquire basic skills. To help integrate socially disadvantaged groups, it is also important to provide access to affordable and quality social care services. This school forms part of a complex rescue network.

The school is expected to help local employment levels by reducing the number of unemployed people with only basic education.

'We are seeking the best ways to "move the students ahead", to encourage them to become somebody respected, to be skilled and competent, and find a good job. Our ambition is to develop a modern school, which will be able to compete within the EU through the quality of its facilities and teaching methods,' says school Principal, Ivana Sedláková.

▸FIND OUT MORE
www.ouvrapice.cz



EX POST EVALUATION OF COHESION POLICY, 2007-2013

WHAT CAN WE LEARN FROM EVALUATING THE IMPLEMENTATION OF THE POLICY IN A TIME OF CRISIS?

It is time to start planning the *ex post* evaluation of the 2007-2013 programming period. The legal requirement is for the European Commission to complete the evaluation by the end of 2015. The Directorates General for Regional and Urban Policy and for Employment and Social Affairs are co-ordinating a series of thematic evaluations looking at various aspects of the implementation and impacts of cohesion policy.

For the 2000-2006 programming period, the Directorate General for Regional and Urban Policy carried out a very extensive *ex post* evaluation, involving 19 different work packages over a 5 year period, finishing in 2012. This time round the exercise will be more concentrated. Some questions raised in the 2000-2006 evaluation will be explored in more depth, while new areas will also be examined. Given that the current programming period will not be completed as the evaluation is being done, areas of intervention which take longer to have an impact (e.g., infrastructure) will receive less attention.

Some of the main questions for the evaluation will be:

- What was the impact of the European Regional Development Fund (ERDF) and the Cohesion Fund? What happened to regional policy during the crisis? Did regional policy programmes manage to maintain development investment during this time? What does the crisis tell us about the strengths of different levels of governance in different Member States?
- What does the ERDF support in the areas of SMEs and innovation? Are these interventions those which the economic literature suggests is the most effective? What evidence is there of the effects of these interventions?
- Does the ERDF support large enterprises? If so, to do what and what is the impact?

Successful ERDF-funded business support projects (left to right):
Research centre for regenerative therapies – Excellence cluster, Saxony, Germany; Ravensbourne business eco-incubator, London, UK; BIC Granada, part of the incentive programme for innovation and business development, Andalucia, Spain.

- What is the rationale for and what are the early outcomes of venture capital schemes set up with support from the ERDF? What are the costs?
- Which transport and environmental infrastructures have been built with support from the Structural Funds? Are they likely to be financially sustainable, based on past experience?
- How have the Structural Funds invested in energy efficiency and what have the impacts been? Which Member States have been successful and why and what obstacles have others faced?
- What is the rationale for investment in tourism, culture, natural heritage and creative industries? What are the main types of investment and what is the evidence on effectiveness?
- What have European Territorial Cooperation Programmes achieved, especially in the areas of research, technology and innovation, environmental protection and enhancement and transport? How have transnational and interregional programmes influenced policy development across the EU?
- What strategies for integrated urban development are supported from the Structural Funds? What is the role of investment in social infrastructure?

A synthesis report will be produced at the end of 2015 as well as thematic reports for each block of the evaluation as well as country and regional reports which will be accessible through electronic maps.

The methods to be employed will include literature reviews, data analysis, case studies, surveys, macro and sectoral economic models. As a first step, DG Regional and Urban Policy has launched an evaluation of the data reported by Managing Authorities in their Annual Implementation Reports. This will enhance the robustness of the evaluation's later work packages and will also help those responsible for designing the 2014-2020 programmes to improve the quality and reliability of their monitoring systems.

Contributing to the analysis and the evaluation findings, a series of consultations will be held throughout the process – with academic experts, with thematic experts, and with those responsible for designing and implementing the policy across the 28 Member States. Through this dialogue, the DG Regional and Urban Policy expects Member States and regions to take ownership of evaluation findings and take them into account in the 2014-2020 programmes – which will still be at a very early stage of implementation at the end of 2015.

The 2000-2006 *ex post* evaluation strongly influenced the design of the 2014-2020 programming period. The focus on specific objectives – specific to the national or regional context, the requirement for result indicators expressing that objective with a baseline and target – the use of common indicators with agreed definitions, the clarification of the roles of monitoring and evaluation, and the requirement for Managing Authorities to undertake impact evaluations all found their rationale in the findings of the evaluation. DG Regional and Urban Policy expects that this *ex post* evaluation will provide further insights into how to improve the design and the impact of cohesion policy.

▸FIND OUT MORE
http://ec.europa.eu/regional_policy/impact/evaluation/index_en.cfm

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AGENDA

7-10 OCTOBER 2013
_Brussels (BE)

OPEN DAYS 2013

28-29 OCTOBER 2013
_Bucharest (RO)

2nd Annual Forum of the EU Strategy for the Danube Region

8 NOVEMBER 2013
_Brussels (BE)

Regions as Motors of New Growth through Smart Specialisation

9-10 DECEMBER 2013
_Brussels (BE)

Conference 'Telling the story'

6-7 FEBRUARY 2014
_Athens (EL)

Conference on EU Strategy for the Adriatic and Ionian Region

31 MARCH 2014
_Brussels (BE)

RegioStars

More information on these events can be found in the Agenda section of the Inforegio website: **http://ec.europa.eu/regional_policy/conferences/agenda/index_en.cfm**

MAKE YOUR VOICE HEARD

We would like to hear about cohesion policy's achievements in your region, highlighting results and tangible benefits for citizens, and your views on preparations for the next programming period.

Selected contributions will be featured in the next edition of *Panorama* magazine. Please send your submissions (maximum length of 600-700 words) to:

regio-panorama@ec.europa.eu

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