Regional and Urban Policy

Interview with José Manuel Barroso, President of the European Commission

The reformed policy in 10 points

Member States finalise Partnership Agreements

Cohesion policy 2014-2020 viewed from the Member States

Cohesion policy 2014-2020
Momentum builds
Home to over 1,000 plant species from around the world, the Eden Project in Cornwall, UK, is a tourist attraction and educational charity. It received kick-start funding of over EUR 30 million from the ERDF.
At the end of 2013, after an intense two-year negotiation process, the European Council and European Parliament finally gave the green light to the cohesion policy legislative package. The new Regulations came into force on 21 December.

I am pleased to see that the modernised approach of my proposals has been endorsed. We have worked hard to improve the rules for using the European Structural and Investment Funds. Now, more than EUR 500 billion – including national co-financing and investments leveraged through financial instruments – can be mobilised to actively support economic recovery and sustained growth in the European Union.

Cohesion policy is the main EU investment tool, with over one-third of the Union budget. But in order for it to fulfil its potential of growing the EU economy and improving the quality of life for Europe’s citizens, it is essential that our reforms are properly implemented. The first step in this process will be finalising the Partnership Agreements, which will define each Member State’s investment strategy for the next seven years.

Preparing these investment blueprints is not easy. This is why the Commission began informal negotiations last year with Member States to ensure that key development needs were identified and addressed as early as possible. As a result, Member States shared their draft Partnership Agreements with the Commission before the end of the year and some have already been submitted officially. It is important that Member States submit quality draft development plans so that programme approval and implementation can start as soon as possible. But let’s be very clear, the Commission is not ready to trade quality for speed.

I cannot emphasise enough how important it is to get the strategy right from the start. And it is imperative to ensure that all projects follow the strategy, and not the other way around.

Priority is now focused on a limited number of policy objectives so as to build up a critical mass of investment in the selected areas. We have identified four priority areas with high growth potential: research and innovation, SMEs, information and communication technologies and the low-carbon economy.

Clear and measurable targets

Our reformed policy is underpinned by the belief that each region can achieve the greatest impact if it first identifies its core strengths – we call this Smart Specialisation. This will allow the regions to focus productive investments in the chosen sectors, thus maximising their growth potential.

Prior agreement on the objectives is essential to our new architecture. How can we invest in research for example if there is no research strategy? It is like trying to drive a car with no steering wheel.

The reform requires the formulation of clear and measurable targets. This will help us see quantifiable results and allow us to continuously assess whether these public investments are achieving maximum impact on the stimulation of growth and jobs across Europe.
Cohesion policy is definitely a policy we can be proud of and continue to be proud of in the future. We need to be strong and clear in promoting this position.

EUROPEAN COMMISSION PRESIDENT
JOSÉ MANUEL BARROSO
Cohesion policy speaks to European Commission President José Manuel Barroso and asks for his views on the role of cohesion policy in the years ahead for the creation of growth and jobs in Europe and for the recovery from the economic crisis.

Do you think that Europe is now getting back on the right track, and emerging from the economic crisis?

The financial and economic crisis that hit the global economy since the summer of 2007 is without precedent in European post-war economic history. Yet, I believe we have the worst behind us. We managed to overcome the ‘existential’ crisis of the euro and calmed unrest among the financial markets. We have made significant progress as regards economic governance in the EU. Confidence in the European economy is now gradually returning and the latest GDP figures confirm the first signs of a slight economic recovery. The countries worst hit by the crisis are making major structural reforms and are starting to note positive results as well. Ireland has for example decreased its deficit of 1.4% of GDP in 2008 to a surplus of 3.4% of GDP in 2013. Portugal has also reduced its deficit and we expect Spain to go to a surplus this year as well.

And nonetheless, even if we seem to be overcoming the worst, we are not yet fully in the clear and the signs of recovery are still fragile. We must sustain our efforts to fight current challenges, such as the ageing population, increasing energy costs and high unemployment. The Member States must speed up the pace of structural reforms set out in the Country Specific Recommendations and make further progress on those policy areas that require coordination. The most pressing problem is the unacceptably high unemployment rates in certain countries, especially among young people.

How instrumental is cohesion policy in boosting jobs and growth in Europe and in the context of EU economic governance achieving the objectives of the Europe 2020 Strategy?

We proposed in 2010 a comprehensive approach, which is the ‘Europe 2020 Strategy’ for smart, sustainable and inclusive growth. This is Europe’s growth strategy for the coming years, setting out all the drivers for tomorrow’s prosperity and productivity whether in the area of education and training, climate change, research and innovation or the fight against poverty. Since the beginning, we have been working closely together with the Member States and regions to deliver its objectives. The strategy has now been in place for four years and a thorough review will take place in 2014 to evaluate the achievements.

Cohesion policy is one of the key instruments to realise the Europe 2020 goals. It is the largest EU investment in the real economy and a key pillar of the EU economic policy triangle of fiscal consolidation, structural reforms and investment in growth. Thanks to the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund, we are supporting broadband access, SME start-ups, social inclusion, education, energy efficiency and job creation. So far, reporting by Member States has shown that cohesion policy investments in 2007-2013 supported more than 73,500 SME start-ups and created over 263,000 jobs in SMEs. Over 4.7 million more EU citizens now have broadband coverage thanks to the investments. In short, cohesion policy is definitely a policy we can be proud of and continue to be proud of in the future. We need to be strong and clear in promoting this position.

In addition to that, the European co-funding represents a stable, safe, long-term source of investment for the Member
States. In some of our regions, it is the only way to get public investment, because of a lack of sufficient resources at national level or market failure. Cohesion policy funding has provided stability, but also flexibility to redirect investments to address urgent socio-economic needs. We have encouraged crisis-hit countries like Greece, Ireland or Portugal to reprogramme the Funds to boost their competitiveness and promote job creation, in particular to young people.

For the 2014-2020 period, we have allocated EUR 351.8 billion to the European Structural and Investment Funds, representing the second biggest portion of the EU budget. This is recognition at the highest political level of the importance of the Funds for growth in Europe. The importance is now to further align the national and regional programmes to reach the Europe 2020 goals.

Member States and regions have now started to work in the framework of the new reformed cohesion policy 2014-2020. What impact do you think this reform will have? What do you see as the biggest innovation of this reform?

We should seriously ask ourselves whether we have made the right investments in the past to make our economies more competitive. I think some of the funding has not been used to its full potential. We must now ensure that the reformed policy is all about making the right investments to the benefit of the whole of the European Union. Every euro spent should deliver maximum impact in terms of growth and competitiveness.

This is why the new policy is all about a culture of results. Regions will be required to show not only where they spend the money but how they make the best use of the funds. The use of the money will be monitored, evaluated and reported to ensure it will deliver the intended results. Certain pre-conditions have been set before the funding can be released so that the right conditions exist to maximise impact of the investments.

In order to keep the investments focused, the programmes have to target the majority of ERDF on a limited number of four key growth-enhancing areas: Research and innovation, SMEs, ICT, and the low-carbon economy. At least 80% of all available resources in more developed regions and 50% in less developed ones will be allocated to those sectors that are very important to our future success. For ESF there are similar rules, and at least 20% of the total ESF resources have to be allocated to promoting social inclusion and combating poverty. This approach will clearly link the funding with the overall 2020 Strategy of growth and related policies.

I believe that those changes will inject new life into EU cohesion policy investment on the ground and enable it to become more consistent, efficient and cost-effective to help the European Union to prosper again. We should be capable to show to our citizens that spending is used in the most intelligent way to the benefit of their regions, their cities, and impact positively on their lives.

How do you see the role of cohesion policy funding in tackling urban challenges, e.g. poverty, social exclusion, unemployment, pollution and energy dependency?

More than 75% of Europeans live in or around urban areas. That makes Europe one of the most urbanised continents in the world. By 2020, this figure is set to increase to up to 80% of our population.

I do not exaggerate if I say that the development of our cities will largely determine the future of Europe and be crucial in achieving Europe 2020 ambitions. Our cities are the powerful engines of growth, home to business, innovation and entrepreneurship, leading the way in lifting us out of the crisis. In Europe more than two-thirds of GDP is generated in cities. Yet, due to the crisis, many cities are now struggling with little growth, high unemployment, migration, social disparities and poverty.

This is why I decided to give a new role to the former Directorate-General Regional Policy as the main coordinator of the urban policy initiatives of the EU. The new Directorate-General for Regional and Urban Policy pays greater attention to the more prominent role of our cities and urban areas in decisions and policy-making at EU level. Currently, around 40% of ERDF is invested in cities. I expect this will grow in the future. Many of the 2014-2020 investment priorities are of relevance to the urban areas, such as promoting low-carbon strategies, improving the built environment or facilitating mobility. On top of this, each Member State must allocate at the very least 5% of the ERDF to integrated actions for sustainable urban development. This will empower the cities with new means and new solutions to tackle the particular economic, environmental and social challenges of their urban areas.

How important is cohesion policy funding in boosting research and innovation?

European regions need to move upwards on the innovation ladder. Member States that invest a lot in innovation fare better than those that could make it better. Though the average spending on research and innovation has remained stable at 2% of GDP throughout the crisis, the European
Union is still lagging far behind its main global competitors. The United States and Japan, as well as South Korea, spend more than us on research and innovation.

There is no doubt that the reformed cohesion policy is crucial in boosting research and innovation in Europe. In 2007-2013, nearly 25% of the EU Structural Funds – or about EUR 86 billion – have been invested in research and innovation. There are many good innovative project examples funded by cohesion policy: the cleantech cluster ‘ECO World Styria’ (1) in Austria, an example of clean technology, or the ‘Art on Chairs’ (2) project in Portugal, an innovative approach linking creative industries to traditional industries – to name but two.

Member States and regions are now required to identify their particular assets and strengths, and focus resources on them to enhance their competitive advantage. I believe that those so-called ‘smart specialisation strategies’ will lead to smarter investments with greater impact, and will activate the innovation potential of every region in Europe. They should be developed together with the business world, the academic sector and the innovation community with the support of cohesion policy.

What would be your main piece of advice to the regional authorities implementing the operational programmes for 2014-2020?

Good governance at national, regional and local levels is crucial. The reform of the cohesion policy could never have been achieved without the successful cooperation with the managing and regional authorities. The partnership principle is at the heart of the reforms and it is now crucial that all relevant stakeholders are involved in the implementation of the programmes: relevant ministries, regions, municipalities, professional organisations, research centres, businesses or social partners. We need to further develop new partnerships as well as maintain existing cooperation between regions, cities, and the EU institutions to strategically focus the Funds on the most productive investments, and ensure maximum impact on growth and employment. I expect regions to take up responsibility in shaping and strengthening European policy. Together I am sure we can make this policy a real driver for the economic recovery of Europe.

Innovation also means to think outside of the box, be creative and reflect on new ways of exploiting current knowledge and new ideas to adapt our society to the new paradigms. It is no longer business as usual and all European have to fully participate in designing and achieving more competitive models.

Find out more
http://ec.europa.eu/europe2020/index_en.htm

(1) http://www.eco.at/
(2) http://www.paredesdesignmobiliario.com/en/go/art-on-chairs
The key elements of the revised cohesion policy are:

1. **Appropriate levels of investment in the regions**
   Investment will continue in all EU regions but the level of support and the national contribution (co-financing rate) will be adapted to their level of development:
   - less developed regions (GDP < 75% of EU-27 average);
   - transition regions (GDP 75% to 90% of EU-27 average);
   - more developed regions (GDP > 90% of EU-27 average).

2. **Targeted growth**
   Around EUR 100 billion will be targeted at key growth sectors. Eleven thematic priorities have been agreed for cohesion policy. Investments under the European Regional Development Fund (ERDF) will concentrate on four key areas:
   - innovation and research;
   - the digital agenda;
   - support for small and medium sized businesses (SMEs);
   - the low-carbon economy. Different allocation rates have been agreed according to the category of region (less Developed: 50%, transition: 60%, and more developed: 80%).
At least EUR 26 billion of these funds will support the low-carbon economy (energy efficiency and renewable energies). Within this, there are separate obligations to dedicate ERDF resources (less developed regions: 12%, transition regions 15% and more developed regions: 20%).

Around EUR 63 billion will be focused on priority Trans-European transport links and key environmental infrastructure projects through the Cohesion Fund.

Through the European Social Fund (ESF), cohesion policy will provide a significant contribution to EU priorities in the field of employment, for example through training and lifelong learning, education and social inclusion. At least 20% of the total ESF resources have to be allocated to promoting social inclusion and combating poverty.

The new Youth Employment Initiative linked to the ESF will provide a specific focus on young people.

3 › Accountability and results

Clear, transparent, measurable aims and targets for accountability and results will be fixed. Countries and regions will have to announce upfront what objectives they intend to achieve with the available resources and identify precisely how they will measure progress towards those goals. This will allow regular monitoring and debate on how financial resources are used. Depending on the progress towards these targets additional funds can be made available to well-performing programmes (through a so called ‘performance reserve’) towards the end of the period.

4 › Pre-conditions for funding

Before funds can be channelled, certain conditions will have to be met to ensure effective investment. This is to ensure that investments are made in an environment which is conducive to maximise their impact. Investments will only start once certain strategies are in place or certain pre-conditions fulfilled. Examples of pre-conditions are ‘smart specialisation’ strategies, business friendly reforms, transport strategies, measures to improve public procurement systems or compliance with environmental laws.

5 › Coordinated action

A common strategy has to be established to ensure better coordination and less overlap. A Common Strategic Framework provides the basis for better coordination between the European Structural and Investment Funds (ESI Funds – ERDF, Cohesion Fund and ESF as the three funds under cohesion policy, as well as the Rural Development and Fisheries funds). This also links better to other EU instruments like Horizon 2020 and the Connecting Europe Facility.

6 › Simplification of procedures

Red tape must be reduced and the use of EU investments simplified. This can be achieved through a common set of rules for all ESI Funds as well as simpler accounting rules, more targeted reporting demands and more use of digital technology (‘e-cohesion’).

7 › Expanded urban dimension

The urban dimension of the policy will be enhanced by earmarking a minimum amount of resources under the ERDF to be spent for integrated projects in cities, combining different measures to tackle economic, environmental and social challenges within cities – on top of other spending in urban areas.

8 › Cross-border cooperation

Cooperation across borders will be reinforced and its will be easier to set up more cross-border projects. Also it is important to ensure macro-regional strategies like the Danube and Baltic Sea Strategies are supported by national and regional programmes.

9 › Consistency and coherence

Cohesion policy has to be fully coherent with the wider EU economic governance. Programmes will have to be consistent with the National Reform Programmes agreed with Member States which form part of the cycle of economic and fiscal policy coordination within the EU known as the European Semester. If necessary, the Commission can ask Member States – under the so-called ‘macro-economic conditionality’ clause – to modify programmes in order to support key structural reforms or, as a last resort, it can suspend funds if economic recommendations are repeatedly and seriously breached.

10 › Financial instruments

The increased use of financial instruments will be encouraged to give SMEs more support and access to credit. Loans, guarantees and equity/venture capital will be supported by EU funds through common rules for all funds, a broadening of their scope and the provision of incentives (higher co-financing rates). The emphasis on loans rather than grants should improve project quality and discourage subsidy dependence.
THEMATIC OBJECTIVES FOR COHESION POLICY

1. Strengthening research, technological development and innovation
2. Enhancing access to, and use and quality of ICT
3. Enhancing the competitiveness of SMEs
4. Supporting the shift towards a low-carbon economy in all sectors
5. Promoting climate change adaptation, risk prevention and management
6. Preserving and protecting the environment and promoting resource efficiency
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures
8. Promoting sustainable and quality employment and supporting labour mobility
9. Promoting social inclusion, combating poverty and any discrimination
10. Investing in education, training and vocational training for skills and lifelong learning
11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration

The reformed cohesion policy will be the EU’s principle investment tool for delivering the Europe 2020 goals: creating growth and jobs, tackling climate change and energy dependence, and reducing poverty and social exclusion. Cohesion policy will also aim to strengthen economic, social and territorial cohesion in the European Union by correcting imbalances between regions.

To achieve these aims, the three funds under the EU cohesion policy (European Regional Development Fund, European Social Fund and Cohesion Fund) will support 11 thematic objectives.

Though the ERDF will address all 11 thematic objectives, it will be targeted in particular at the first four key priorities. Those priorities are: innovation and research; information and communications technologies; small and medium-sized enterprises (SMEs); and the transition to a low-carbon economy.

Member States and regions will be required to invest a significant part of the ERDF (between 50%-80%) in these priority areas which will receive up to EUR 100 billion (close to 30%) of the ERDF budget.
**PRIORITY 1
Strengthen research, technological development and innovation**

Europe’s competitiveness, its capacity to create millions of new jobs to replace those lost in the crisis and, overall, its future standard of living depends on our ability to drive innovation in products, services, business and social processes and models. The major focus is to address bottlenecks to innovation and increase investment in business research and development through a close collaboration between public and private actors.

Between 2014 and 2020 the ERDF will strengthen research and innovation in the EU Member States through a variety of actions:

- Supporting innovation actors (especially research centres and SMEs) which are directly engaged in developing innovative solutions and the economic exploitation of new ideas through: advisory and support services; direct investments; and financial instruments that help access private sources of finance.
- Investing in infrastructure, equipment, pilot product lines, and advanced manufacturing necessary for applied research and innovation activities, including technologies that create capabilities for further innovation in a range of other sectors.
- Facilitating the cooperation, networking activities and partnerships among different innovation actors working in the same field – universities, research and technological centres, SMEs and large firms – to achieve synergies and technology transfers.
- Investing in innovation by SMEs in order to increase their competitiveness.

Member States and regions are required to set up ‘Regional Innovation Strategy for Smart Specialisation’ (RIS3), which is a pre-condition for receiving ERDF investment funds for research and innovation. Such a strategy will help regions to fully realise their innovation potential by focusing resources on a limited number of smart growth priorities in which they have clear competitive advantages.

Those strategies should be developed with the key stakeholders involved, such as researchers, the academic world, businesses and public authorities. It should reflect on new ways of exploiting current knowledge and new ways of doing business with the use of EU, national and private sector funds. It will also help build synergies with other EU policies and funding instruments, especially Horizon 2020 – the EU’s research and innovation programme for the 2014-2020 period.

**SPECIFIC TERRITORIAL CHARACTERISTICS**

- Under European Territorial Cooperation programmes, at least 80% of funds will be concentrated on these four main thematic priorities.
- At least 5% of ERDF resources at a National level will be set aside for sustainable urban development, through ‘integrated actions’ managed by cities themselves.
- Areas that are naturally disadvantaged from a geographical viewpoint, such as remote, mountainous or sparsely populated areas will benefit from special treatment.
- The outermost areas of the EU will benefit from specific assistance from the ERDF to address possible disadvantages due to their remoteness.

Barcelona’s Institute of Photonic Sciences received EU co-financing for work in the field of optical science and the technology of light.
PRIORITY 2
Enhance access to, use and quality of ICT

Information and communication technologies (ICT) are a powerful driver of economic growth, innovation and productivity that cuts across a large number of domains.

Between 2014 and 2020 investments through the ERDF will enhance access to, the use of and the quality of information and communication technologies. Various types of ICT measures can also be financed as support initiatives within any of the other thematic objectives.

**ERDF investment will be targeted at:**

- Investing in ICT infrastructure in all regions, especially in remote and rural areas and in less developed regions.
- Increasing access to high-speed broadband (especially the so-called ‘Next Generation Networks’) to boost the productivity of companies and allow individuals in remote regions to work from home or to benefit from e-health solutions.
- Investing in developing and upgrading ICT tools, such as e-infrastructures for research and innovation, cloud computing, information security and internet safety.
- Continuing the shift towards the innovative uses of ICT by firms, citizens and public administrations, such as the electronic provision of health services (eHealth), public sector procedures (eGovernment), SMEs (eLearning, eBusiness, etc.).

National and regional authorities are required to develop a ‘Strategic Policy Framework for Digital Growth’ as a precondition before investments are allocated to developing ICT products and services.

Each Member State planning to use cohesion policy funds for broadband investments will also have to develop an additional ‘Next Generation Network Plan’ identifying the areas where public intervention is required. Those local and regional digital agendas are deeply interrelated with smart specialisation strategies.

THEMATIC CONCENTRATION

In addition to the specific provisions under the low-carbon economy objective, Member States and regions must allocate a certain amount of ERDF resources to these four key thematic objectives.

- More developed regions: at least 80% of ERDF resources must focus on at least two of these priorities.
- Transition regions: 60% of ERDF should address at least two of these priorities.
- Less developed regions: 50% of ERDF should be focussed on at least two of these priorities.

Member States should also focus ERDF support to take into account any challenges identified in the National Reform Programmes, and any relevant country-specific recommendations.
**PRIORITY 3**
Enhance the competitiveness of SMEs

Small and medium-sized enterprises constitute the backbone of the European economy and are key drivers of growth, job creation and cohesion, providing two out of every three private-sector jobs. Promoting entrepreneurship and investing in SMEs is therefore essential to create growth and employment in Europe.

To stay competitive in a global market, SMEs have to increase productivity and improve the quality and differentiation of products, services and their marketing.

Investments through the ERDF will target areas to promote the growth and competitiveness of SMEs, including measures to:

- Access finance with grants, loans, loan guarantees, venture capital, etc.
- Tap into business know-how and advice, information and networking opportunities including cross-border partnerships.
- Improve their access to global markets and mitigate entrepreneurial risk.
- Exploit new sources of growth such as green economy, sustainable tourism, health & social services, including the ‘silver economy’ and cultural and creative industries.
- Forge valuable links with research centres and universities to promote innovation.

**PRIORITY 4**
Support the shift to a low-carbon economy in all sectors

Amongst the headline targets of the Europe 2020 strategy are those to reduce greenhouse gas emissions by 20% compared to 1990 levels, increase the share of renewables in final energy consumption to 20% and move towards a 20% increase in energy efficiency.

With this in mind ERDF funding will help promote greater energy efficiency and support the shift towards low carbon sources.

Measures in this area can include:

- Investing in the production and distribution of energy derived from renewable sources – including biofuels and marine-based renewables production.
- Raising awareness and increasing the use of renewable energy in both the public and private sectors.
- Enhancing energy efficiency, smart energy management and the use of renewables in public infrastructures, including public buildings, in the public housing sector and in the context of industrial production.
- Reducing emissions from transport by supporting the development of new technologies and promoting public transport, cycling and walking.
- Developing integrated low-carbon strategies, in particular for urban areas, including public lighting systems and smart grids, as well as sustainable urban transport plans.
- Promoting research and innovation in low-carbon technologies.

A specific requirement for investment is that **More developed regions** must allocate at least 20% of ERDF, **Transition regions** 15% and **Less developed regions** 12% of their share towards this priority.

**FIND OUT MORE**
EU OPENS NEGOTIATIONS WITH TURKEY ON REGIONAL POLICY

The EU accession negotiations with Turkey have opened the regional policy chapter of the acquis communautaire.

In order to open accession negotiations on ‘Chapter 22: Regional policy and coordination of structural instruments’, Turkey had to present a detailed action plan and a related timetable, setting out clear objectives and timeframes regarding the implementation of the EU’s cohesion policy and the necessary institutional set-up. Turkey has an impressive track record in economic development over the last ten years, but steps must now be taken to evenly distribute across the regions the wealth that has recently been generated.

Chapter 22 on regional policy is a chapter with little acquis. It mainly requires the development of administrative capacity and smart strategies that will ensure the quality of programmes and projects and their sound implementation. Before the provisional closure of the chapter, Turkey needs to provide the proof that it has developed such capacity in terms of technical and human resources and that it has put in place a functioning national strategy which can diminish development disparities between its regions. Finally, Turkey will be given the opportunity to work with all EU Member States involved in cross-border, interregional and transnational cooperation.

The Commission looks forward to the launching of the long and hard work necessary for meeting the conditions to provisionally close the chapter.

NEW HANDBOOK FOR LOCAL AND REGIONAL AUTHORITIES

The Committee of the Regions has just published their new ‘Handbook for Local and Regional Authorities’. The publication is part of a larger communications campaign aiming to raise awareness of the Europe 2020 Strategy. The handbook outlines the strategy’s policy cycle and targets, and then breaks down how local and regional authorities can integrate their own activities with EU policy and financial tools to boost smart, sustainable and inclusive growth. Many practical examples of good practice from regions across the EU are featured, along with plentiful links to interesting programmes, projects and instruments. Finally there is a list of associations, networks and awards to encourage information sharing and the recognition of positive results.

FIND OUT MORE

The RegioStars Awards Jury has announced the finalists for the RegioStars 2014 awards which honour Europe’s most inspirational and innovative regional projects. The jury singled out 19 finalists from 80 projects supported by EU cohesion policy funds on the basis of four key criteria: innovation, impact, sustainability and partnership.

The finalists come from regions and cities in 17 Member States: Belgium, Czech Republic, Denmark, France, Germany, Greece, Hungary, Italy, Ireland, Luxembourg, the Netherlands, Poland, Portugal, Romania, Spain, Sweden, and the United Kingdom.

They showcased their projects before the awards jury, chaired by former Committee of the Regions President Luc Van den Brande, on 8 October during the 11th annual European Week of Regions and Cities – OPEN DAYS 2013. The winners will be announced at the Award Ceremony presented by Commissioner Hahn in Brussels on 31 March 2014. Full details of the finalists’ projects can be seen in the brochure available on the RegioStars website.

These regional indicators are presented for the following 11 subjects: economy, population, health, education, the labour market, structural business statistics, tourism, the information society, agriculture, transport, and science, technology and innovation. In addition, four special focus chapters are included in this edition: these look at European cities, the definition of city and metropolitan regions, income and living conditions according to the degree of urbanisation, and rural development.
In Your Own Words is the section of Panorama where you can make your voice heard and give your feedback on European regional policy in action. In this edition, Panorama has asked stakeholders at local, regional, national and European level for their views on – and hopes for – the reformed cohesion policy.

Panorama welcomes your contributions in your language which we may feature in future editions. Please contact us at regio-panorama@ec.europa.eu for further information about deadlines and guidelines for your contribution.

BUSINESSEUROPE
BUSINESS CAN PLAY KEY ROLE IN SUPPORTING REGIONAL DEVELOPMENT
It is essential that a more results-oriented regional policy is timely and effectively implemented to substantially increase its impact on growth and jobs. The final decision to allow companies of all sizes to apply for regional funds in key research and innovation, low carbon and ICT priorities represents an important progress compared to the initial proposal for more restrictive eligibility criteria. Businesses, with their expertise and understanding of local economies, can play an important role in helping regions develop projects that are the most supportive of their competitiveness and sustainable development. Simplified procedures and reduced administrative hurdles would ensure greater business participation in an effective use of funds.

MARKUS J. BEYER – Director General

CONFERENCE OF PERIPHERAL MARITIME REGIONS OF EUROPE (CPMR)
MACROECONOMIC CONDITIONALITY SENDS THE WRONG SIGNAL
The cohesion policy package as agreed in November introduced a number of positive innovations, such as the transition regions category and partnership provisions. The CPMR applauds the thwarted efforts of the European Parliament to delete references linking cohesion policy and EU economic governance and the important concessions secured, such as limiting the suspension of payments to a maximum of 50% for each operational programme concerned. Macroeconomic conditionality sends the wrong signal to European regions and will have negative consequences in the running of operational programmes, particularly in regions most in need of investment to secure long-term jobs.

ANNIKA ANNERBY JANSSON – President of the Region of Skåne (SW) and President of the CPMR
**SOUTHERN AND EASTERN REGIONAL ASSEMBLY, IRELAND**

**POSITIVE IMPACT UPON PEOPLE’S LIVES**

The European Parliament has given its approval to the cohesion policy, which sets the stage for the next programming period 2014-2020. The Southern and Eastern Regional Assembly is embarking on its third programming period as Managing Authority of European co-funded programmes. The emphasis for the next period is on results and real tangible results. I hope that goals and objectives that underpin this smart, sustainable and inclusive growth policy translate into results that impact positively on the lives of the people of the Southern and Eastern region of Ireland and across the EU. Ultimately for the policy to be considered successful it needs to assist in creating the conditions that support employment. This in my opinion is the biggest challenge we face across the EU. We talk a lot about simplification and making the process more attractive for the beneficiary; this is an ongoing challenge and must be at the heart of the implementation of the policy.

**DERVILLE BRENNAN – Southern and Eastern Regional Assembly**

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**PRIME MINISTER’S OFFICE, HUNGARY**

**TARGETING PRIORITIES FOR RESEARCH, INNOVATION AND SMES**

Hungary’s EU membership is strongly intertwined with the country’s thousand-year history. The success of the Eurozone is a key driver of our economy. As a result of the efficient use of EU funds, after a long time, Hungary is now back on a growth path which rests on solid foundations, due to cohesion policy, among others. Therefore, I welcome the reform recently endorsed by the EU Institutions, delivering the priorities of Europe 2020. Main reform elements like thematic concentration and an increased focus on results are a key to success. In my view it is crucial that EU funds in the future will be targeted at priorities like research, innovation and SMEs, which rank high on Hungary’s agenda too. Hungary will therefore target 60% of EU funds at economic development in the next 7 years. I believe that creating and maintaining a balance along with the recent reform will further contribute to Hungary’s sustainable development.

**NÁDOR CSEPREGHY – Deputy State Secretary**

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**EUROPEAN HOUSE OF FRENCH LOCAL AUTHORITIES (MEPLF)**

**SUPPORT FOR LOCAL DEVELOPMENT PROJECTS IS ESSENTIAL**

In a time of crisis, European support for local development projects is absolutely essential not only for restoring growth and employment but also for preserving social and territorial cohesion. The MEPLF has strongly championed an ambitious cohesion policy for 2014-2020 and is pleased to see the increased support for transition regions, areas threatened by economic recession. The MEPLF welcomes the confirmation that the European Social Fund remains at the heart of cohesion policy and the introduction of a specific urban dimension, offering local stakeholders new opportunities for carrying out integrated area strategies. On the eve of the European elections, it is vital to show our fellow citizens that Europe is involved on a daily basis in our areas.

**MICHEL DESTOT – Chair MEPLF, Chair of the Association of Mayors of the Large Cities of France**
POLIS – EUROPEAN CITIES AND REGIONS NETWORKING FOR INNOVATIVE TRANSPORT SOLUTIONS

SUSTAINABLE AND EFFICIENT TRANSPORT SYSTEMS VITAL

Polis is happy to see more commitment to urban transport. Cohesion funds are fundamental for large parts of Europe and shall have a continuous role in transport infrastructure development so that countries granted gradually less funds can prepare well in advance for diverse, innovative financing in the future. Polis also welcomes better links with other EU instruments, such as Horizon 2020. The coordination between programmes could indeed better support the deployment of research results. An analysis of cohesion policy 2007-2013 shows that there is a rather low number of projects related to multimodal transport. We hope that the new framework will allow this to change and put more focus not only on multimodal transport solutions, but in general on urban transport, as sustainable urban and regional development requires efficient transport systems. This is necessary to enable economic growth in European cities and regions. Polis hopes that the new Connecting Europe Facility will offer opportunities for sustainable transport projects for cities and regions.

SYLVAIN HAON – Secretary General

LATVIAN ASSOCIATION OF LOCAL AND REGIONAL GOVERNMENTS (LPS)

ENCOURAGING GROWTH AND NEW JOBS IS JOINT OBJECTIVE

Latvian local authorities and the LPS have been involved in drawing up the consultation and programming documents, encouraging the national government to take account of the interests and requirements of local authorities. We have asked for a more focused application of EU Structural Fund monies in the next seven years, with the aim not only of ensuring good statistical indicators for our country but also of improving the wellbeing of every individual in Latvia. This chimes with the cohesion policy objective to reduce economic, social and territorial disparities, progress to which should not be interrupted. We find however that the European Commission has not understood the need for continued investment in improving Latvia’s highway infrastructure.

We are convinced that sustained major investment in our highway infrastructure is a precondition for the creation of growth and new jobs.

ANDRIS JAUNSLEINIS – Chair of the Latvian Association of Local and Regional Governments, Head of the Latvian delegation to the Committee of the Regions

SWEDISH ASSOCIATION OF LOCAL AUTHORITIES AND REGIONS (SALAR)

NEW COHESION POLICY STRONG AND WELL BALANCED

Cohesion policy and its financial instruments have meant a lot to Swedish regions and municipalities. The strong self-governance in Sweden has ensured a strong commitment by the regional level to cohesion policies, both during the current programming period, and I believe it will remain so for the coming one. Public opinion in Sweden is very much in favour of prioritising efforts combating climate change. Therefore, support is strong for earmarking investments in the areas of energy efficiency and low carbon techniques. I find the EU’s cohesion policy to be well balanced, as it includes environmental, economic and social perspectives. This while being focused on the need of growth and prosperity in our European regions. Without cohesion policy, the regional development work would be more self-centred, disregarding the global opportunities and benefits of a growing and thriving Europe. I am therefore more than happy to see that we once again have a strong cohesion policy for all regions in the EU.

ANDERS KNAPE – President, Swedish Association of Local Authorities and Regions
ASSOCIATION OF LOCAL AUTHORITIES IN LITHUANIA
NEW, BETTER COHESION POLICY WILL BRING EUROPEAN REGIONS CLOSER

The new financial perspective will already be a third one for Lithuania and I am proud to note that the agreement on the long awaited reform of the cohesion policy for 2014-2020 was finally agreed during our presidency. The policy and innovations it contains provide additional instruments for municipalities and regions. The requirement to earmark a share of ERDF for measures implemented directly by sub-national authorities will result in improved partnership in the selection and implementation of projects and their quality. We also highly appreciate the Code of Conduct becoming obligatory, which will definitely introduce additional quality to the implementation of the partnership principle. I am also convinced that simplified rules to design and implement Community-led local development strategies and the introduction of Integrated territorial investment will strengthen a coordinated approach for territorial development.

RIČARDAS MALINAUSKAS – President

ESPON – THE EUROPEAN OBSERVATION NETWORK
FOR TERRITORIAL DEVELOPMENT AND COHESION
PLACE-BASED APPROACH TO DEVELOPMENT
OF REGIONS AND CITIES CAN FLOURISH

The stronger emphasis on a territorial approach and urban development has the potential to unleash synergies and add value to the European economy. Integrated Territorial Investment and Community-led Local Development are new important tools in this respect. However, future policies, strategies and projects leading to investments need to be based on evidence, benchmarking regions and cities in their European context. This will support solid decisions, an intelligent spending of funds and achievement of the envisaged results. The new ESPON 2020 Programme shall play a special role as evidence provider within cohesion policy 2014-2020. Pan-European, comparable evidence for policy and programmes, including data, indicators and analyses will be on offer on European territorial trends, structures, perspectives and impact of policies. Swift knowledge transfer to European, national, regional and local stakeholders is the main target. Hopefully, programme implementation will make good use of evidence to stimulate proactive ideas and issues creating development, growth and jobs.

PETER MEHLBYE – Director of the ESPON Coordination Unit

SCHLESWIG-HOLSTEIN, GERMANY
NEW FOCAL AREAS FOR SCHLESWIG-HOLSTEIN’S STATE GOVERNMENT

The ERDF is very important for the promotion of economic development in Schleswig-Holstein. With less funding available, from 2014 we need clear focal areas in order to improve the economic structure of our state. With the new operational programme, the aim is for more state-wide projects with a structural impact to be funded than in the past. With the reduced ERDF funding amounting to around EUR 271 million, we will also stimulate our regional innovation potential in research and development and bolster the competitiveness of our small and medium-sized enterprises. Another focus of our ERDF action will be to support the energy switch-over: promoting the low carbon economy through the development of an environmentally-friendly economy and infrastructure is an important element of the programme. Over the next few years, we would like to use the funding opportunities under the ERDF to further develop Schleswig-Holstein – with smart, sustainable and inclusive growth.

REINHARD MEYER – Minister of Economic Affairs, Employment, Transport and Technology Schleswig-Holstein
TILLVÄXTVERKET – THE SWEDISH AGENCY FOR ECONOMIC AND REGIONAL GROWTH
LOW-CARBON ECONOMY A NECESSITY FOR SUSTAINABLE GROWTH

I hope that the EU's investments in Sweden during the next few years will speed up the switch-over to a lower carbon economy, which is a necessity both for our climate and for sustainable growth. In the 2007-2013 period, projects in the Swedish ERDF programmes were already targeting energy efficiency and developing a low carbon economy, and with the increased focus within the programmes, this will continue over the forthcoming programme period. I also hope that we, in Sweden, get even better at commercialising the fruits of our research and our innovations, so that Sweden’s regions and companies achieve greater sustainable growth.

BIRGITTA RHODIN – Communications Officer

LOCAL GOVERNMENT ASSOCIATION (LGA) ENGLAND & WALES, UK
JOINED UP PROJECT DELIVERY ON THE GROUND

The stronger requirements for central-local partnership working are a real boost to local authorities who want to be at the heart of the design and delivery of the next round. This is something we have been pushing for since the 2000-2006 programme. It will allow the funds to be tailored more effectively to the real needs of local areas. There are also some promising new instruments for local areas to deliver the different funds in a more joined up and integrated way on the ground. The challenge is getting some governments to adopt these however as ministries fear that pooling funds will lead to complications in financial management and auditing. Finally, there remains a need to simplify processes on the ground. A project should be able to put in a single application covering, say, ERDF and ESF. A construction project for example should also be able to train construction workers at the same time.

DOMINIC ROWLES – EU Adviser (Cohesion Policy), LGA

IN YOUR OWN WORDS

ASSEMBLY OF EUROPEAN REGIONS (AER)
INVESTMENT PRIORITIES FOLLOW THE RIGHT PATH

Despite a reduced and disappointing budget, regions from Europe expect a lot from the new generation of Structural Funds 2014-2020, which should enable them to face harsh times while investing in the future. In this respect, priority given to youth employment, innovative SMEs, smart specialisation and green economy follows the right path. Cohesion policy is primarily a territorial development policy, which must be conducted by and for the regions: AER will therefore follow closely the carrying out of the partnership principle in the setting up and implementation of funds. We encourage regions to integrate mobility measures in their ESF programmes as well as territorial cooperation measures in their ESF and ERDF (Article 87.3.d) programmes. AER will continue its information cycles in 2014, both structural as well as thematic, including on topics regarding health, support for SMEs and education.

HANDE ÖZSAN BOZATLI – AER President

TILLVÄXTVERKET

20
SOCIAL PLATFORM

COHESION POLICY WILL COMBAT POVERTY AND EXCLUSION

In the face of increasing poverty, exclusion and unemployment the cohesion funds are fast becoming the most important financial instrument for the social and economic development of the EU and the adoption of the new package contains some interesting opportunities for the social sector and social policies even if it could have been more ambitious. Most importantly the ‘partnership principle’ which includes civil society organisations is warmly welcomed. The use of CSO’s knowledge and experience will only strengthen the role of the funds in fighting poverty and exclusion. The 23.1% allocation to the European Social Fund will ensure the inclusion of all people and not just those with labour market relevance – critical when we know some people may never enter the labour market and others need specific support. We also hope that the promotion of sustainable and quality employment in the package will go some way to reducing the levels of working poor and bad quality jobs. Finally we are happy to see that important ex-ante conditionalities have been upheld.

HEATHER ROY – President, Social Platform

COUNCIL OF EUROPEAN MUNICIPALITIES AND REGIONS

INVOLVEMENT OF LOCAL AND REGIONAL AUTHORITIES IS ESSENTIAL

Adoption of the new cohesion package is certainly a step in the right direction. It will enable our municipalities and regions to negotiate within a stable legal framework for investment in the priority areas – research and innovation, the transition to a low-carbon economy and social inclusion – that are essential for the development of our societies. For the policy to succeed, it is essential that local and regional authorities are involved in the conception, implementation and follow-up of programmes, by setting up mixed task forces, for example, bringing together the various levels of governance, socio-economic partners and civil society. Unfortunately, according to a study we carried out in 2013 together with our member organisations, only a third of EU countries surveyed had set their financing priorities in partnership with our municipalities and regions. As a result, monitoring the application of the partnership principle remains essential for the CEMR. Accordingly, we are asking the European Commission to publish a precise list of delegated acts that adopt this principle, to enable partnerships to be set up from now on.

MARLÈNE SIMÉON – Policy officer, cohesion and territorial policy, information society and e-government

LITHUANIAN PRESIDENCY OF THE COUNCIL OF THE EU

NEW MEASURES TO MAKE INVESTMENT MORE EFFICIENT

The reform of cohesion policy for the period 2014-2020 is finally agreed. The debate started in October 2011 and it took more than two years to conclude these epic negotiations spreading over 5 successive Council Presidencies. The reform introduced many important elements designed to increase efficiency of investment. Strengthened strategic programming should improve synergies and coordination between different funding instruments. Increased thematic concentration of investment on key EU priority areas should make the contribution of the policy to Europe 2020 Strategy objectives more visible. Application of ex-ante conditionalities will require ensuring that investments are taking place in a strategically and legally sound environment, while elaborated performance requirements for programmes should encourage aiming at realistic and at the same time ambitious results. Now Member States and the Commission are focusing their efforts on finalisation of the new generation programming documents leading to practical application of the elements introduced by the reform.

DARIUS TRAKELIS – Chair of the Council Structural Actions Working Party, Lithuanian Presidency of the Council (second half 2013)
COMMITTEE OF THE REGIONS

COHESION POLICY BRINGS PARTNERSHIP AND SOLIDARITY

Having learned from the experiences of recent times, the revised and reformed cohesion policy 2014-2020 is of its time. Growth and jobs are what people expect, and, as a pillar of solidarity and an investment budget, the cohesion policy has a key role to play in that regard. It is a good thing that a stronger strategic basis is now on the way, and that the sole focus is to be on operational programmes aimed at tangible, sustainable results. This way, there is a much greater chance of achieving the objectives of the Europe 2020 strategy, and the people get a better sense of what added value Europe brings. Not least, there is now much more emphasis on partnership and, for the first time, on the necessity of ‘multi-level governance’. This means that all levels of government – local, regional, national and European – are able to and have to live up to their responsibilities and can then cooperate on that basis. Not just in theory but also in practice: in the partnership agreements but also in real life in the operational programmes.

LUC VAN DEN BRANDE – Vice-President, Committee of the Regions, Special Advisor to Commissioner Hahn on cohesion policy and Europe 2020, with a focus on multi-level governance

VALENCIA REGION, SPAIN

REFORM TARGETS THREE STRATEGIC AREAS

The renewed approach of cohesion policy for the period 2014-2020 is the result of a long and arduous negotiation process at different levels. The Valencian region, present in these negotiations along with the regions of Europe, shares the values of this reform, which intensifies its efforts in three strategic areas that constitute the guiding policies in our region. Firstly, emphasis is on innovation, as a catalyst for competitiveness across all funds, with the aim of moving towards real global development. In Valencia this point is especially appreciated, since we are encouraging actions promoting R&D in our strategic sectors. Secondly, the promotion of employment is significant in the new period, for which the financial resources have been expanded. Finally, we consider a third major objective crucial: the fight against poverty. This social disease affects millions of Europeans and is particularly acute in those countries which are most affected by the economic crisis. Uniting our efforts to combat this problem is more important than ever and our region is willing to join the fight to eradicate it.

JUAN VIESCA – Director General of European Funds and Projects, Valencian Government

MAKE YOUR VOICE HEARD
regio-panorama@ec.europa.eu
The reforms agreed for the 2014-2020 period are designed to maximise the impact of the available EU funding.

Overall EU 2014-2020 budget €1 082 billion
- Cohesion policy funding €351.8 billion (67.5%)
- Other EU policies, agriculture, research, external, etc. €730.2 billion (32.5%)

Cohesion Policy delivers Europe2020 Goals
- Smart
- Sustainable
- Inclusive

Aims to deliver growth that is:
- SMART through investments in education, research and innovation
- SUSTAINABLE thanks to a move towards a low-carbon economy
- INCLUSIVE with an emphasis on job creation and poverty reduction

€351.8bn COHESION POLICY FUNDING + EXPECTED PUBLIC AND PRIVATE NATIONAL CONTRIBUTIONS = LIKELY IMPACT OF COHESION POLICY €500bn +
**FOCUS OF INVESTMENTS**

**11 THEMATIC OBJECTIVES TO HELP DELIVER EUROPE 2020 GOALS**

- Research and Innovation
- Combating climate change
- Information and communication technologies
- Environment and resource efficiency
- Competitiveness of SMEs
- Sustainable transport
- Low-carbon economy
- Employment and Mobility
- Better education, training
- Social inclusion
- Better public administration

FOR THE EUROPEAN REGIONAL DEVELOPMENT FUND

Investment to focus on at least 2 of the 4 main priorities with a specific allocation to low carbon-economy

- Less Developed Regions: 12% for Main Priorities, 50% for ERDF
- Transition Regions: 15% for Main Priorities, 60% for ERDF
- More Developed Regions: 20% for Main Priorities, 80% for ERDF

FOR THE EUROPEAN SOCIAL FUND

Focus on up to 5 investment priorities under the thematic objectives

- Better education, training: 60%
- Social inclusion: 70%
- Better public administration: 80%
- 20% for remaining priorities
ALL EU REGIONS BENEFIT

FOR THE COHESION FUND
Investment is focused on trans-European transport networks and environment in BG, CZ, EL, ES, HR, CY, LV, LT, HU, MT, PL, PT, RO, SI, SK

COHESION POLICY FUNDING 2014-2020 IN FULL (€351.8bn)

- €182.2bn for less developed regions
  - GDP < 75% of EU-27 average
  - 27% of EU pop.

- €35.4bn for transition regions
  - GDP 75-90% of EU-27 average
  - 12% of EU pop.

- €54.3bn for more developed regions
  - GDP > 90% of EU-27 average
  - 61% of EU pop.

- €1.2bn Technical assistance
- €1.6bn Specific allocation for outermost and sparsely populated regions
- €3.2bn Youth employment initiative (top-up)
- €0.4bn Urban innovative actions
- €10.2bn European territorial cooperation
- €63.3bn Cohesion fund
- €54.3bn More developed regions
- €35.4bn Transition regions
WHAT’S NEW FOR 2014-2020

BETTER FOCUS ON RESULTS

CONDITIONS* BEFORE CHANNELLING FUNDS

Aims and Targets

PERFORMANCE RESERVE OF 6% ALLOCATED IN 2019

INVEST

Environmental law compliance
Public procurement systems
Essential transport links
Business-friendly reforms
‘Smart specialisation’ strategies

*Depending on the selected thematic objectives

COMMON RULES

SIMPLIFICATION

Common set of rules for all European Structural and Investment Funds
Clearer eligibility rules
More use of digital technology (e-cohesion)
More targeted reporting demands
Simpler accounting rules
Multi-fund programmes
Cohesion policy is the vehicle for implementing the EU’s regional policy and employment policy, and comprises the European Regional Development Fund, Cohesion Fund and European Social Fund. The budget for cohesion policy amounts to nearly EUR 352 billion for 2014-2020, and accounts for over one-third of the European Union’s budget. Yet European citizens are not always aware of the impact of these policies on their local communities.

A pan-European ‘Flash Eurobarometer’ opinion survey (1) (see page 30), undertaken across all EU countries in September 2013 to gauge citizens’ awareness and perceptions of EU regional policy, clearly demonstrated that levels of awareness of regional policy vary substantially between EU Member States and regions. While communicating the achievements of EU cohesion policy is currently an important part of the responsibilities of managing authorities and beneficiaries who oversee programmes and projects, even more attention has to be paid to the effective communication of EU cohesion policy in the 2014-2020 funding period.

The Commission’s Directorate-General for Regional and Urban Policy has taken a number of concrete steps to improve the visibility of EU cohesion policy. These include an external evaluation of ‘Good practices in EU regional policy communication 2007-2013 and beyond’.

The results of this study in turn fed into a conference held in Brussels on 9-10 December 2013, bringing together the EU, national and regional officials involved in communicating the European Structural and Investment Funds. Entitled ‘Telling the Story’, the conference underlined the new emphasis on using more concrete examples of good local action and positive impacts to change people’s perceptions about the European Union.

The conference was also designed to provide useful know-how to managing authorities before they finalise their communications strategies for operational programmes, which is an obligation under the new cohesion policy rules. By learning of the work of their counterparts in other countries, exchanging ideas and networking, the communications officials are jointly building a platform for more effective communications about Europe.

On the regulatory side, the Commission has also moved to clarify and update the existing information and communication rules on communications in the area of cohesion policy.

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(1) Flash Eurobarometer: Citizens’ awareness and perceptions of EU regional policy.
GOOD PRACTICES IN EU REGIONAL POLICY COMMUNICATION

In 2013, the Directorate-General for Regional and Urban Policy commissioned an evaluation of EU regional policy communication to identify good practice in the EU Member States and review its own approach to communication.

The desk research covered all EU Member States, while detailed field work was carried out in eight countries: Estonia, France, Germany, Hungary, Italy, Poland, Sweden and Spain.

Some of the key criteria used to identify good practice examples included:
▶ use of clear and simple language;
▶ innovative, attractive, eye-catching and/or user-friendly design;
▶ good outreach to media and/or target audience;
▶ role of the EU made clear and visibility rules respected.

The evaluation identified good practice in a wide range of areas, such as:
▶ billboard photo competition in Estonia, whose example was successfully followed by other Member States;
▶ TV quiz about Europe with school classes in Andalusia, Spain;
▶ colourful brochure about cohesion policy delivered to all households in Saxony, Germany;
▶ short awareness raising videos in Poland and Brandenburg, Germany;
▶ innovative campaign with artistic installations about the concrete impact of EU regional funds in Hungary;
▶ annual open days of projects in France and the Netherlands.

It remains the task of managing authorities to overcome the perceived lack of interest among the public as well as the media. Finding and telling ‘newsworthy’ stories, such as projects which are relevant at the local, regional or even national level, is a common challenge faced by all regional policy communicators.

FIND OUT MORE
Sign up to RegioNetwork and access the full report: http://bit.ly/1fpMQ5s

telling the story
COMMUNICATING EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020

The ‘Telling the Story’ conference was a unique gathering of communication professionals from the regional, national and European level.

It brought together, for the first time, communication officers responsible for the EU’s five Structural and Investment Funds (European Regional Development Fund, European Social Fund, Cohesion Fund, European Agricultural Fund for Rural Development, European Maritime and Fisheries Fund). By learning of the work of their counterparts in other countries, and across the Funds, participants looked at more effective ways to collectively communicate, in particular through exchanging ideas, best practice and networking.

A strong message from the event was to focus on using concrete examples of good local actions and positive impacts to change people’s perceptions about the European Union.

An innovative way of illustrating these positive stories was the event proceedings which captured the essence of the debates in visual form.
NEW RULES FOR COMMUNICATING
COHESION POLICY 2014-2020

Communication has a much higher priority under the new Regulation, recognising that the success of local projects is the most effective way of increasing awareness of the work of the EU and its positive benefits.

The new legal requirements for information and communication in cohesion policy were drafted in close collaboration with the INFORM network of communication officers across the EU Member States, and give managing authorities and programme monitoring committees a high degree of responsibility in this area.

The key aspects for managing authorities and beneficiaries are:

Programme launch event
For each programme, a launch event (and subsequently a major annual information activity) has to be organised by the Member State or managing authority, aimed at the widest possible media coverage.

Seven-year communication strategy
The monitoring committees must adopt a seven year communication strategy for each Operational Programme (or a common strategy covering several OPs) within six months of the adoption of the relevant programme(s). Once per year the implementation progress and the future communication activities has to be reviewed by the monitoring committee.

New cohesion policy website or portal
Member States must set up a single national website or web portal which gives access to all operational programmes for the ERDF, ESF and Cohesion Fund, including the list of operations.

List of operations
The list of operations has to provide information about all projects in a spreadsheet or XML format to allow the data to be searched, ranked and exported. However, the names of beneficiaries who are natural persons have to be withheld due to data protection reasons. It has to be updated at least every 6 months, by the Member State or the Managing Authority.

The event brought together more than 800 participants from all 28 EU countries and boosted the collaboration between EU, national and regional officials involved in communicating on European Structural and Investment Funds. It provided a sound basis for the communication strategies that will accompany ESIF programmes during the 2014-2020 funding period.

In addition to communication officers from national and regional authorities, participants included heads of managing authorities, journalists, representatives of stakeholder organisations, EU networks like Europe Direct, communication officers working for the European Commission in Brussels and in the Commission’s national Representations, and representatives of other EU institutions.

The programme, presentations and the visual proceedings of the conference, including testimonials of participants, are available on the InfoREGIO website.

FIND OUT MORE
http://ec.europa.eu/telling-the-story
The survey was carried out in the 28 EU Member States between 23 and 25 September 2013. Some 28,065 respondents from different social and demographic groups were interviewed, and the results compared to a similar survey undertaken in June 2010.

Of the people who were aware of the investment in their area, more than three-quarters expressed confidence in the positive impact of co-financed projects on the economic and social development of their region or city.

The general awareness of the policy remains at 34% compared to a similar survey carried out in 2010. Awareness is highest in Poland (80%), followed by Lithuania and the Czech Republic (with 67% each).
Positive impact

There is a strong link between a country’s eligibility for EU regional funds and the level of awareness of EU co-financed projects. Furthermore, there is a strong link between personal benefit from an EU-funded project and the perception that these projects have a positive impact.

Television remains the leading source of information about EU regional policy co-financed projects overall, while in countries such as Germany and Finland, local and regional newspapers play a central role. In Ireland and Hungary, billboards were cited as the main initial information source. Meanwhile, the internet was identified as the main source for young people aged 15-24.

A majority of people (52 %) think that the EU should invest in all of its regions, while 42 % say that it should only invest in the poorer regions. This is an important shift from June 2010, when more people felt that the EU should only invest in the poorer regions (49 %) as opposed to all regions (47 %).

The report highlights the necessity and value of EU regional policy managing authorities and beneficiaries communicating achievements and telling the story to citizens, in parallel with the European Commission.

FIND OUT MORE
Flash Eurobarometer report:
With the Lisbon Treaty entering into force in 2009, the European Parliament became co-legislator in relation to cohesion policy for the first time. The members of the European Parliament Committee on Regional Development (REGI) have played a pivotal role in the development of the new Regulation. The Committee has taken a strong position to ensure that cohesion policy focuses on results and takes local, regional and national needs into account whilst delivering on EU objectives.

PANORAMA TALKS TO LEADING MEMBERS OF THE EUROPEAN PARLIAMENT’S COMMITTEE ON REGIONAL DEVELOPMENT (REGI) ABOUT THE SHAPING OF THE NEW LEGISLATIVE PACKAGE.

– See pages 34-35
‘We enter this debate as a full co-legislator to shift the focus of cohesion policy from stability to growth’, said the European Parliament’s Regional Development Committee chair Danuta Hübner, in October 2011 as she opened the inter-parliamentary meeting with MEPs, their national counterparts, the European Commission and the Council of Ministers.

Seven rapporteurs were appointed in the REGI and Employment and Social Affairs (EMPL) committees to oversee the complex negotiations that would take place over the following two years. Two ‘lead rapporteurs’, Lambert van Nistelrooij (EPP, NL) and Constanze Krehl (S&D, DE), helped ensure the political support of the two largest political groups.

Pre-legislative political dialogue between the European Parliament and the European Commission took place before October 2011. This helped clarify the key political issues and facilitate discussion at the political level. The ‘Working party on future cohesion policy’ was set up as the Parliament’s main informal forum for debate. It resulted in many meetings, consultations, and public hearings with concerned parties: NGOs, civil society, regional organisations, etc. This open procedure helped incorporate the views of the different parties.

In July 2012 the European Parliament agreed its negotiating position for the legislative package of reform proposals. More than 3,000 amendments had been tabled to the Commission legislative proposals.

‘Trilogue’ discussions took place between the Parliament, the Council and the Commission. About 100 meetings were needed to reach an agreement on the draft regulations.

In November 2013 the Parliament’s Regional Development Committee endorsed the deal struck with the Council paving the way for the EUR 351.8 billion investment policy for EU regions to come into force on time.

Danuta Hübner who chaired all the negotiating meetings with Council from 2012 said that ‘After more than a year of negotiations with the Council and the Commission, we have been able to agree to a reform of EU regional policy which focuses investment on key areas for growth and jobs as outlined in the Europe 2020 strategy through a common set of rules which apply to all EU Funds, thus leading to considerable simplification’.

What remains to be done?

The Parliament, through its competent committees, must now take a position regarding the Delegated acts. The European Commission has already adopted the first and one of the most important one: the European Code of Conduct on partnership, which lays down the conditions for the involvement of partners in the preparation and implementation of 2014-2020 Partnership Agreements and programmes.

The Parliament’s REGI secretariat participates in the preparatory experts meetings and is regularly in contact with the Commission’s DG for Regional and Urban Policy.

What is Parliament’s role in the implementation of the policy?

One of the main functions of Parliament is to exercise scrutiny, mainly through its parliamentary committees which oversees the implementation of the policy. The particularity of cohesion policy is that it is implemented in shared management by a European body, the Commission, and the Member States through national, regional and local administrations. Thus the scrutiny of the policy by Parliament concerns not only the European Commission but also the other bodies – even if under the Treaty only the Commission is responsible before Parliament. Improving the scrutiny and evaluation of the policy in this broader context is therefore the challenge for the REGI committee.

HOW FAR WAS THE CONTRIBUTION OF EUROPEAN REGIONAL ORGANISATIONS TAKEN INTO ACCOUNT?

European local and regional organisations have played an important role throughout the pre-legislative and legislative process during the past two and a half years. These organisations have contributed through position papers and presentations before the REGI Committee and have had productive relations with the Chair and the rapporteurs. Their views have been fully taken into consideration by the committee. These stakeholders are an important source of information for the European Parliament and it is of great importance to receive their views and contributions.

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The idea of the performance reserve is actually a good one, but the key is how it will work in practice. Will projects still be innovative or inventive enough or will the standards be lowered only to reach certain goals in order to access the performance reserve? Furthermore, from my point of view the performance reserve is a subtle move by the Council to save money until the end of the programming period and I cannot support that.

Stimulating the economy
In times of economic and financial crisis, cohesion policy is one of the most effective EU instruments to stimulate the economy, to secure sustainable employment and to support research and innovation. Those regions hit hardest by the crisis will also continue to benefit from an increased co-financing rate to foster growth and jobs. As in previous years, the less developed regions of the EU will remain the major funding priority; more than EUR 182 billion is committed to these regions.

Support for social goals
With the new Regulation we are ensuring that sufficient investment is targeted at social issues. Four of the thematic priorities in the new Regulation are dedicated to the European Social Fund: supporting sustainable and quality employment; the promotion of social inclusion; investing in education; enhancing institutional capacity building. Furthermore, with the new Regulation we have introduced a fixed ESF quota – 23.1% of the global resources have to be allocated to the Social Fund. This is a huge increase for many Member States and ensures the right level of support for the social dimension of cohesion policy.

Successful negotiations
I am quite satisfied with the overall outcome of the negotiations surrounding the new Regulation. It meant two years of hard work, not only compiling these 3000 amendments, but having also hundreds of meetings with my co-rapporteur Lambert van Nistelrooij and the Parliament’s negotiation team, as well as more than 90 Trilogues together with the Council and the Commission. Of course, there are issues on which I would have liked to see a different result and the institutions have not always been of the same opinion – but what we have agreed on is a sound compromise that will shape a successful and modern cohesion policy for the next seven years.

Macro-economic conditionalities
Two contentious issues in the negotiations have been macro-economic conditionalities and the performance reserve. As a Social Democrat, I have always spoken against a macro-economic mechanism inside cohesion policy and I have massively fought to eliminate it from the Regulation. Since the Commission and Council did not support our position, it is still part of the Regulation, but we have at least weakened the wording of the article immensely – which gives me hope this mechanism will never enter into force. Regions should not be blamed for the fiscal failure of the Member State.
AN INVESTMENT STRATEGY TO TRANSFORM THE EUROPEAN ECONOMY

LAMBERT VAN NISTELROOIJ
Member of the European Parliament, Group of the European People’s Party (Christian Democrats), Member of the Committee on Regional Development (Co-Rapporteur Common Provisions Regulation)

Focusing on agreed priorities
Thematic concentration is really about highlighting those areas where Europe has to invest and excel to regain its position in the world. The new approach will support investment in R&D and knowledge infrastructures as a solid basis for future competitiveness and the creation of jobs. We have defined the areas where Europe needs to invest. Member States and regions can choose their priorities among them.

Virtual revolution in approach
The new Regulation and the far-reaching strategy behind it represent a virtual revolution in the way that cohesion policy is to be implemented. Getting the Member States to understand and change to the new way of operating has been a challenge.

We were very determined to ensure things would not be like in the past. There would be preconditions before receiving money. Money would be invested effectively in areas which fit into the global plan to revive the European economy. Through tough negotiations with Member States within the many Trilogue meetings, we have pushed to keep the strategy on course.

‘Business plan’ for Europe
Cohesion policy is now the main investment strategy for Europe. It is part of what I would term a business plan to both develop the potential of the regions and make Europe a leading economic force on the world stage once again.

‘Smart specialisation’ is an important part of this strategy. We are making funds available to help regions develop in strategic areas that are good for them and good for Europe. In doing this they can draw upon complementary skill bases in other regions. I see this as a ‘stairway to excellence’ where new regions can develop their talents to rise to the level of more advanced areas of Europe.

Better synergies between the funds
The key challenges of the coming years will be how to achieve a better synergy between the five European Structural and Investment Funds and the R&D funds. We need this new approach, taking onboard the untapped capacity in the so-called new Member States.

The strategic framework allows projects to combine resources from different funds. It safeguards the integrated approach and the effectiveness of policy implementation. The common provisions for strategic planning and programming and the common list of thematic objectives pave the way for the shared ownership of the Europe 2020 targets.

We now have an ‘umbrella Regulation’ for the structural and investment policy instruments which are tied to the Europe 2020 goals. This represents a big step forward towards increased coherence, impact and visibility on the ground, all over Europe. And through the Partnership Agreements and the operational programmes, the Member States and the regions take ownership of their strategy and commit to see it through.
With the cohesion policy legislative package agreed and now in force, the focus has turned towards the approval and implementation of Partnership Agreements and Operational Programmes. Many Member States are expected to formally submit their draft Partnership Agreements in February. These agreements must be in line with the EU’s growth objectives and the Europe 2020 Strategy.

Preparations well advanced

Great efforts have already been made to accelerate the preparation of Partnership Agreements (PAs) and Operational Programmes (OPs). In June 2012 the Commission invited Member States to engage in an informal dialogue on the programming for the next period. Later in 2012 it sent position papers to all Member States outlining its views on the development needs and funding priorities for the European Structural and Investment (ESI) Funds in each Member State.

This informal process was put in place with a view to ensuring that investments in growth, competitiveness and jobs in the regions could start from the very beginning of the new period. Member States have taken full advantage of this informal dialogue, with many submitting their proposed Partnership Agreements for the careful analysis of Commission experts. Informal observations were sent back on these drafts and, in many cases, also on proposed OPs.

Many Member States are now well advanced with their Partnership Agreements and the Commission expects to be able to adopt these rapidly, thus paving the way for a timely start of investments on the ground.

Key to Partnership Agreements – closer alignment with Europe 2020

Partnership Agreement priorities must be closely aligned to the Europe 2020 goals of smart, sustainable and inclusive growth. It is important that all Member States understand the need to concentrate resources on key growth areas to avoid the fragmentation of funding across numerous objectives. The reformed cohesion policy for 2014-2020 also goes hand-in-hand with the EU’s overall economic policy coordination which is monitored through the European semester process.
To further enhance general policy coordination, the Regulations provide for multi-fund programming from 2014-2020. The overall number of programmes will therefore come down from 363 to 311 OPs out of which one-third should be multi-fund. The Commission services concerned are cooperating closely with the Member States to further facilitate a common approach.

Thinking innovation

Under the heading of smart growth, investments are being concentrated on innovation and research (R&I), the digital agenda, and support for SMEs. Many regions are now champions of smart specialisation – realising its potential to support economic transformation and are currently in the process of preparing their regional research and innovation strategies for smart specialisation (RIS3) which can cover both innovation and ICT.

The prioritisation of R&I, particularly in business research, has led to substantially higher investment in the area compared to previous programming periods. Some Member States have presented programmes that provide clear linkages between the digital economy and innovation.

Almost all Member States see the strengthening of the competitiveness of small and medium-sized enterprises (SMEs) as central to the fabric of national and regional growth strategies, but in many cases the focus is missing on higher value-added activities, which will offer the most sustainable long-term growth.

Financing small business remains one of the biggest bottlenecks in many Member States and the conclusions of the October 2013 European Council included a provision that ‘the programming negotiations of the European Structural and Investment Funds (ESIF) should be used to significantly increase the overall EU support from these funds to leverage-based financial instruments for SMEs in 2014-2020, while at least doubling support in countries where conditions remain tight’ and is necessary to unblock the flow of credit.

The Commission has been encouraging Member States to assess how best to make use of financial instruments in this context, on the basis of an ex-ante assessment that has identified market failures or sub-optimal investment situations, respective investment needs, possible private sector participation and resulting added value.

ESIF programme support can contribute to financial instruments set up at national, regional, transnational or cross-border level and managed by or under the responsibility of the managing authority. It can also contribute to financial instruments set up at EU level and managed by the Commission. Specific provisions have been included for the implementation of dedicated financial instruments combining ESI Funds with other sources of EU Budget and EIB(EIF) resources with a view to stimulate bank lending to SMEs.

Green Europe

Three of cohesion policy’s thematic objectives are targeted at sustainable growth namely: supporting the shift towards a low-carbon economy; promoting climate change adaptation, risk prevention and management; protecting the environment and promoting resource efficiency. This is reflected in several Member States’ Partnership Agreements where energy, climate change and environment are well integrated into the general economic growth strategy and assessment of development needs.

Several have put a specific emphasis either on energy efficiency or renewable energy. Some Member States have combined ‘smart’ and ‘green growth’ by integrating environment, energy and climate change into smart specialisation approaches. However, in many cases the mainstreaming of sustainable development is not sufficiently advanced, missing the practical elements that will actually ensure implementation of climate, energy and environmental aspects across the board.

In the area of transport, it is clear that almost all Member States now consider that the more strategic approach established in the new Regulation is a positive step forward. It will however be essential to establish credible national transport strategies with clear coordination mechanisms that encourage synergies with the Connecting Europe Facility, within the framework of TEN-T networks, to avoid the temptation to invest in small isolated projects with little impact, such as local roads.

“I strongly believe that a programme is more than a sum of individual projects. For the region concerned, a programme needs to present a strong strategic development vision for the years to come. Projects will need to follow that vision.”

COMMISSIONER JOHANNES HAHN
Investing in people

For the first time ever the European Social Fund will have a minimum guaranteed share within overall cohesion policy spending. It is essential to ensure that the earmarking of 20% of the Fund to the social inclusion thematic objective is respected at national level.

It can be seen already that there is a strong focus on the inclusive growth thematic objectives in most Member States. There is a clear rationale for investments aimed to increase employment levels, particularly among young people, women and older workers, supporting poverty reduction via active inclusion, achieving the education targets and investing in lifelong learning.

Moreover, in certain areas such as health, one of the key challenges to be addressed by Member States is to map out infrastructure investment needs. This should contribute to the objective of reducing poverty by increasing access to health services.

Support to Roma and other marginalised communities is a general political priority. It is therefore important that the Partnership Agreements specify how the relevant ESI Funds will contribute to implementing the four Roma integration goals (education, employment, health and housing) in an integrated fashion, either through mainstream actions or through explicit but not exclusive targeting of funding.

Better focus on results

Setting clear specific objectives in OPs for the ERDF, ESF and Cohesion Fund is at the heart of result-orientation. This represents a real step change for many programmes.

The limited number of draft OPs received so far shows that it is difficult to formulate well-defined objectives. In some programmes, it is unclear how investments – notably in social infrastructure, transport and tourism will contribute to programme objectives. However, informal meetings between programme authorities and the Commission have generally been constructive and the second versions of programmes have brought very substantial improvements.

Experience so far demonstrates that the result-orientation requirement is feasible for all types of programmes, even those that are very different in terms of their context and financial volume.

The performance framework is another new element. A performance framework can only be drawn up when the intervention logic of a programme, its financial structure and outputs for each priority are becoming clear. In other words, performance frameworks can only be developed relatively late in the drafting process for each programme.

The key challenge for the performance frameworks is the fixing of quantified targets for the indicators at a sufficiently high level of ambition.

“We need to invest now and do all that we can to avoid delaying the start of programmes. But they need to be good quality programmes with a strong development vision. The Commission will not sacrifice quality for speed.”

COMMISSIONER JOHANNES HAHN
Timeline

The so-called Common Provisions Regulation, adopted on 20 December 2013, establishes a timetable for the submission and adoption of PAs and OPs.

Each Member State shall submit its Partnership Agreement to the Commission within 4 months from the entry into force of the Regulation. The Commission shall in turn make observations within 3 months of the date of submission of the PA and shall adopt the Agreement no later than 4 months from its submission, provided that the Member State has adequately taken into account the observations made by the Commission. This means that as a general rule PAs could be adopted by end of August 2014.

Operational Programmes should be submitted by Member States at the latest 3 months following the submission of the PA. The Commission will make observations within 3 months of the date of submission of the OP and adopt the OP no later than 6 months from the date of its submission, provided that the Member State has adequately taken into account the Commission observations. As a general rule, therefore, OPs should be adopted by end of January 2015 at the latest.

The Commission continues to work closely with Member States to ensure that as many PAs and OPs as possible are adopted within the mandate of the current Commission, in order to allow the speedy channelling of investments.

DELEGATED AND IMPLEMENTING ACTS

The Lisbon Treaty introduced a new system for delegating to the Commission limited powers to make minor changes to laws, provided these do not affect the ‘core’ legislation decided by Parliament and the Council. These are called ‘Delegated Acts’ and ‘Implementing Acts’. The Commission has planned to group the empowerments o the whole cohesion policy package in five delegated acts and to publish three of them before the EP election recess period starts (14 March, according to the relevant inter-institutional agreement). One such delegated act is the ‘European Code of Conduct’.

The European Code of Conduct – a strengthened partnership approach in planning and spending

The code laid down a common set of standards to improve consultation, participation and dialogue with partners during the planning, implementation, monitoring and evaluation of projects financed by the European Structural and Investment Funds.

Member States must strengthen cooperation between their authorities responsible for spending ESI Funds and project partners such as regional, local, urban and other public authorities, trade unions, employers, NGOs and bodies responsible for promoting social inclusion, gender equality and non-discrimination.

All Member States have to follow these rules when finalising the funding programmes which they will propose to the Commission for the 2014-2020 period.

The code of conduct only enters into force if Council and EP do not raise any objections within two months after the adoption by the European Commission (7 January).

FIND OUT MORE

A recent experimental evaluation aims to assess the long term and cumulative achievements of cohesion policy programmes in 15 regions of the EU from 1989 to the present. It also makes a series of recommendations for future developments, supporting the policy direction for the 2014-2020 period.

The evaluation was carried out by the European Policies Research Centre (EPRC) with the London School of Economics. It produced a final report and in-depth case study reports for each region studied, which are published on the Inforegio website.

Key findings

- In line with a common assumption at the time, most early strategies of programmes in less developed regions focused on building infrastructure in the belief that this would lead to growth. In many cases significant improvements were achieved; however there are examples of over-capacity and a lack of attention being paid to longer term maintenance. In later years – from 2000 onwards – a greater recognition was put on the need to invest in human capital, innovation and the private sector.
- Tourism was a predominant focus in many strategies and infrastructural investment helped these regions expand their tourism numbers. However, the evaluation concludes that tourism is usually not sufficient to be a major source of growth.
- Many regions invested in social cohesion, but the longer term sustainability of such investments in the absence of growth is questionable.
- Many of the more developed regions had problems of structural adjustment. In the early years, several continued to invest in traditional low-skill enterprises and only in later programming periods did they begin to invest in innovation and education. Structural adjustment is not achieved in one programming period.

Tackling regional needs and problems over time

In the late 1980s, the main needs were: underdevelopment across all economic, social and environmental indicators; population sparseness or peripherality; a weak economic base due to transition from a centrally planned economy or specialisation in agriculture or traditional industries; and the effects of spatial or labour market disequilibria.

Over time, some regions were able to overcome their initial challenges, others less so. The greatest improvements were in the fields of infrastructure for basic public services and transport and the provision of essential public services.
Of the various types of need, the most resilient and resistant to policy has been the low levels of private sector R&D.

Some regions decided that accessibility and communication were the real underlying needs in the late 1980s, and these were prioritised accordingly, but such decisions underplayed the importance of changing the productive structure of regions.

The less developed regions tended to have wide-ranging strategies, focused on infrastructure, human capital investment and entrepreneurship. This continued throughout the study period, but from 2000–2006 with a stronger emphasis on competitiveness and RDI (research, development and innovation).

The more developed regions had diversified strategies focused on entrepreneurial development through a mix of supply and demand-side support, a combination of instruments geared to clusters, new start-ups and individual enterprise support, and a progressively increasing emphasis on R&D and innovation.

The ability of programme authorities to set realistic targets and identify timely paths for implementation remains an area for further improvement. There was a general difficulty in estimating targets linked to a lack of understanding about what had been the actual achievements of programme interventions in past periods, due to the variable quality of the information provided by monitoring systems and the lack of comprehensive ex post evaluations.

Effectiveness was higher for large-scale physical infrastructure, environmental improvements and local business and innovation infrastructure. Regions had difficulty with structural adjustment, business support, innovation and community development. The policy has been useful, however, in meeting regional needs over the long run.

The varied degree to which the 15 regions were successful in addressing the full range of development challenges is, in part, a natural outcome of the limited scope of programmes and the difficulty of addressing all areas of need. This does, however, raise questions about the complementarity (and additionality) of the programmes and their coherence with wider domestic public policies.

Cohesion policy facilitated a transformative effect across the board in Ireland. The positive economic transformation was linked to the integration of the country’s economy in wider global markets. This may have an impact on the resilience of the improvements which were realised, given the country’s integration in global economic networks affected by the economic crisis as well as its own current economic difficulties.

In a further group of regions – Algarve, Andalucía and Galicia – cohesion policy delivered a transformation of the regional economies, reflected in GDP convergence with the rest of the EU and improved labour market indicators, but which is not proving to have sustainably affected the regions’

Achievements of cohesion policy

- **Less developed**: Sachsen-Anhalt (DE); Dytiki Hellada (EL); Galicia (ES); Andalucía (ES); Campania (IT); Norte (PT)
- **Less developed in 1989, but now more developed**: Ireland; Nord-Pas de Calais (FR); Basilicata (IT); Burgenland (AT); Algarve (PT); Itä-Suomi (FI)
- **More developed**: Nordrhein-Westfalen (DE); Aquitaine (FR); North East England (UK)
Implications for future policy

The study provides clear evidence to support the direction of cohesion policy in 2014-2020, specifically with respect to conditionalities, the new results-orientation, and the promotion of capacity-building. These are areas where the study’s findings show successive generations of programmes have been deficient.

Programme design

All case studies highlighted the value of developing a strategy, involving the analysis of regional needs and challenges, a vision for the future, and the articulation of a multiannual development plan with clear objectives to which relevant partners subscribed. Specific lessons include the following:

- **Introduce scenario-thinking** – Regions need to invest in strategic planning and to carry out research on the current and future needs of the region, intended to identify the potential opportunities that can be realised through targeted support.
- **Build in contingency plans** – Strategies need to be flexible to cope with changes of needs arising from external shocks or unexpected opportunities.
- **A long-term approach to competitiveness to ensure resilience** – Critical for many regions is support for changes in the economic base to render it more resilient to economic shocks. While infrastructure may still be needed and support to tourism has been a useful

longer-term development prospects and resilience. In these regions, the policy contributed to major improvements in regional infrastructure and the provision of public services. However, the economic transformation was based largely on tourism and services, while improvements in productivity and high added-value clusters were limited to segments of the regional economies which represent relatively small proportions of regional GVA and employment.

In most of the regions – Aquitaine, Basilicata, Campania, Dytiki Ellada, Norte and Sachsen-Anhalt – the policy facilitated a transformation in specific fields, without having a pronounced wider impact on growth and employment (except in Basilicata) and leaving major needs still unaddressed.

In the remaining regions – Burgenland, Nordrhin-Westfalen, North East England, Itä-Suomi and Nord-Pas-de-Calais – the policy had a positive influence on wider development factors, supporting change in specific fields, but was unable (given its moderate scale of intervention) to make a decisive difference to the problems of the regions, and they did not induce a wider transformation of their economies.
medium-term response for lagging regions, regions should focus more on projects that enhance entrepreneurship and innovation.

- **Plan realistically** – Regions need to be realistic about timescales, recognising that change may take place over more than one programme cycle (hence the need for continuity), and they should not be overambitious about what can be achieved in one programme, especially with limited resources.

- **Plan with knowledge of other investment programmes being implemented in the region.**

**Strategic planning**

Regional authorities and Member States should invest in generating capacity for strategy development, so that programme authorities are able to:

- think long term;
- communicate and debate openly strategic options with stakeholders;
- recognise that policy efforts need to be long-term and thus frame the seven-year planning of cohesion policy within wider regional strategies;
- accept that regional conditions and need can change abruptly, requiring programmes to respond to change; and
- capture the different facets of economic development, interacting with other policies and spending programmes.

**Results-orientation**

Over successive programme periods, programmes have often been assembled as vehicles to draw down funding for specific projects or types of projects. They were frequently only loosely connected with a vision relating to growth or regional convergence or were unclear about how objectives were to be realised. There is clearly a need for objective-setting to establish the logic for intervention with reference to outcomes. More fundamentally, however, this needs to be embedded in a development model demonstrating an understanding of how the regional economy functions and how EU-funded interventions ‘fit’ with development patterns, trends and factors.

To improve the results-orientation of programmes, regions should develop programming approaches underpinned explicitly by underlying development theories. This requires a new way of thinking about policy. *Ex post* evaluation should become a routine activity of programme authorities, in addition to the work undertaken by the Commission. In addition, the emphasis of evaluation should shift from financial and procedural aspects, to effectiveness and impact.
Land mines concealed along the Croatian-Hungarian border during the 1990s conflict in the former Yugoslavia have been removed in a project funded by the EU. In addition to protecting the local population, the project clears the path for numerous cross-border projects in Natura 2000 nature conservation areas and will boost sustainable tourism.

In early 2011, Hungary discovered a previously unknown minefield along its border with Croatia in Osjecko-Baranjska County, Croatia, and Baranya County, Hungary. The contaminated areas were a spill-over from the 1990s conflict in the region and, as required under the Ottawa Convention on anti-personnel mines, Hungary fenced off the suspected hazardous area in its southern border and notified the danger.

In September 2011, a Croatian-Hungarian project supported by EU funds was launched to survey and clear the hazardous mine fields. The project also involved the environmental rehabilitation of the area as anticipated by the EU’s Habitats Directive.

The 24-month de-mining project was the largest in the Hungary-Croatia IPA (Instrument for Pre-Accession Assistance) Cross-border Cooperation Programme 2007-2013 and received some EUR 3 million of EU funding. This project complements other investments through the programme in the areas of environment and sustainable tourism.

During the project, surveys were undertaken to locate the mines and their priority sequence for removal determined. An area of 1 km² was cleared or otherwise declared safe on the Hungarian side of the border, while an area of 1.5 km² was cleared on the Croatian side.

The removal of mine contamination from the border area has been a precondition for the realisation of numerous cross-border cooperation projects related to the Natura 2000 conservation area.

With the area cleared, work is proceeding to boost sustainable tourism in the area through the development of thematic cultural heritage routes and the promotion of cycling tours focused on the historical features of the region.

The preservation of the protected area in the Drava-Danube National Park can now be undertaken without any risk for people in the National Park. It is also easier to maintain the dykes and fight flooding in the border area. Land is also now available once more for agricultural use.

**Examples of projects**

44
The emergency services in central Romania have been supported through an investment in equipment and training part-funded by the European Regional Development Fund (ERDF). Through the acquisition of a new fleet of specialist vehicles, emergency response times in the region have been substantially reduced.

The project to support the emergency services in Romania’s Centru region, involved the purchase of 40 new vehicles, including 24 mobile emergency response vehicles fitted with first aid, fire extinguishing and extraction equipment. The new vehicles also include fire-fighting trucks and vehicles fitted with specialised cutting equipment for freeing people from accidents.

In addition, three vehicles were purchased to be used for research into dealing with nuclear, biological, chemical and radiological incidents, along with specific equipment for the command and control centre to improve communication in the event of major incidents.

The investment package supported by the ERDF is part of Romania’s nation-wide strategy to improve the management of emergency situations and to improve emergency medical assistance throughout the country. In total, the number of mobile emergency response units in the region has increased from 87 to 127. Under the plan, eight regional command and control centres have been established to co-ordinate the response to disasters and accidents, and 647 people benefited from a training programme.

The investment programme has led to a dramatic reduction in the average response time of emergency mobile units from 48 minutes to 27 minutes in rural areas, and from 25 minutes to 13 minutes in urban areas. The emergency services are now better equipped to tackle remote mountainous areas during the winter months which has always been particularly challenging.

‘The 40 new emergency vehicles purchased by the Centru region have substantially improved responsiveness to disaster situations,’ commented Simon Crețu, General Manager of the Centru Regional Development Agency. ‘Advanced professional equipment and the work of well-trained, professional crews have reduced intervention times which, in extreme cases, have helped save lives.’

‘FIND OUT MORE

Total cost: EUR 8 600 000
EU contribution: EUR 6 140 000

panorama [WINTER 2013 ▶ NO 48]
A major upgrade to Cyprus’ most important port at Limassol will permit access to more ships including the latest generation of Ultra Large Container Ships (ULCS) and increase the handling capacity for containers.

Limassol is one of the busiest harbours in the Mediterranean Sea and has undergone a major harbour extension and dredging operation to allow it to accommodate a new generation of larger passenger and cargo ships.

The new port of Lemesos, as Limassol is also known, has been in operation since 1974. It was built to largely replace the activities of the old port (now used mostly by fishing vessels) and has been Cyprus’ main port since the port at Famagusta, on the eastern side of the country, fell outside the effective control of the Republic of Cyprus government.

It handles two thirds of the total container traffic locally generated and transhipment as well as the entire volume of grain imports. More than 90% of the country’s passenger traffic is presently served by this port.

The two-stage project has already seen the port deepened to 16 metres in the western basin (from between 11 metres and 14 metres previously) and to 17 metres for the port’s entrance channel and turning area. Other completed work includes the strengthening of the port’s existing quays and parts of the breakwater.

Construction work in the second phase of the project commenced in early 2013 and involves a 500-metre extension to the existing quay walls (total current length 770 m) in the port’s western basin. Completion of the second phase is scheduled for summer 2015.

A related project involves the construction a new passenger terminal. Together, these projects will substantially increase the capacity of Cyprus’ most important port. It will be a major hub for both passenger and cargo ships and aims to become a significant competitor in the transhipment market. Handling capacity for containers will increase from 643 000 TEU a year to over one million (TEU is used to describe the capacity of containers, meaning ‘twenty-foot equivalent units’).

To support the expansion of the port a major road construction project has been initiated to improve connections between the port of Limassol and the country’s motorway network. Total investment for the project connecting the new port with the Limassol-Pafos motorway is EUR 126 million with the EU’s Cohesion Fund contributing EUR 90 million. The scheme will also ease congestion and reduce pollution around the port area.

The improvements to the country’s main port facilities and the access to it are expected to transform Limassol into highly efficient, technologically advanced and competitive port and help it achieve a leading position in the Eastern Mediterranean for servicing Cyprus trade, transit trade and cruise liners. They will also improve accessibility to EU and other markets and create investment and trade opportunities.

Find out more: www.cpa.gov.cy
A French medical technology SME supported through co-investment under Languedoc-Roussillon’s JEREMIE initiative is going from strength to strength internationally and was recently listed on the Paris EuroNext stock exchange.

The Montpellier-based company Medtech SAS was founded in 2002 to develop robots capable of assisting surgeons in difficult operations requiring immense precision. BRIGIT™, the first robot developed by the company, focused on orthopaedic surgery and was sold in 2006 to Zimmer Inc., a world leader in orthopaedic surgery.

Medtech followed this by the development of ROSA™ a new generation of laser-guided surgical robot arms dedicated to neurosurgical procedures. The device supports and complements the work of the neurosurgeon in delicate operations on the brain. In 2009, ROSA™ received market approval in Europe with the CE Mark as well as FDA approval in the USA and Health Canada Homologation in Canada. It is now used by leading neurosurgeons in several hospitals within Europe, North America and Asia. The company is currently working on the development of a version of ROSA™ for operating on the spine with the same characteristics of extreme precision.

Medtech SAS now employs 20 people in Montpellier and has offices in New York and Canada, distributors worldwide and a presence in about thirty countries.

To support its growth, at the end of 2012 Medtech secured financing of EUR 4.5 million from a consortium of Soridec, SAS JEREMIE LR and Midi-capital. The company is continuing its ambitious growth and is targeting a 50% increase in sales in 2014 to EUR 3 million. In November 2013 the company raised a further EUR 20 million through a share offering (IPO) on the Paris EnterNext stock exchange, the subsidiary of NYSE Euronext dedicated to promoting and growing the SME market. The additional funding will accelerate market development with a focus on markets such as Italy, Spain, Germany and the United States.

FRANCE

BUSINESS BUILDS FOR ROBOTIC SURGERY FIRM

JEREMIE

JEREMIE – Joint European Resources for Micro to Medium Enterprises – is a European Commission initiative developed together with the European Investment Fund (EIF). It promotes the use of financial engineering instruments to improve access to finance for SMEs via Structural Funds interventions. The EUR 30 m JEREMIE Holding Fund Languedoc-Roussillon is part financed by ERDF (EUR 15 m) and by the Languedoc-Roussillon Regional Council (EUR 15 m), the French state acts as managing authority and the EIF is responsible for its management. It aims to provide support financing through three financial instruments: a) a risk sharing loans instrument for innovative start-ups; b) a co-investment instrument for SMEs with high potential of growth; c) a portfolio guarantee instrument to reinforce SMEs competitiveness.

FIND OUT MORE
http://medtech.fr/en/home
AGENDA

31 MARCH 2014
_Brussels (BE)_
RegioStars Awards Ceremony

8-9 SEPTEMBER 2014
_Brussels (BE)_
6th Cohesion Forum

30 SEPTEMBER & 1 OCTOBER 2014
_Brussels (BE)_
Forum on the Outermost Regions

6-9 OCTOBER 2014
_Brussels (BE)_
OPEN DAYS

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

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