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Putting cohesion policy into practice

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A decade ago, the European Union was expanded from 15 to 25 Member States through the accession of new members from Eastern Europe and the Mediterranean. Further enlargements have brought the number of members to 28.

Enlargement has made the EU the world’s biggest single market. It has increased trade between Member States and brought new jobs, investment and growth. It has further strengthened Europe’s weight in the world and, as an economic grouping of 500 million citizens, the EU is well positioned to make its voice heard across the globe. The EU’s enlargement to the east has firmly anchored democracy, freedom and the rule of law for millions of people. It has brought stability and reunited Europe after years of artificial division.

Cohesion policy funding together with the co-financing provided by Member States, now accounts for a very significant proportion of public investment in Europe – more than half of all public investment in Member States such as Bulgaria, Estonia, Hungary, Latvia, Lithuania, Malta, Poland and Slovakia.

It is imperative that good quality programmes are put in place and over the past year there has been a constant dialogue and interaction between the Commission and Member States in the development of appropriate programmes.

The first PA to be signed was with Denmark. At the time of writing, agreements have also been signed with Germany, Greece, Poland, Cyprus, the three Baltic nations Lithuania, Latvia and Estonia, as well as Slovakia. More will follow over the coming months. The content of the PA is specific to the needs of each country while at the same time reflecting Europe’s wider goals. Denmark, for example, has defined strategic investment programmes that will enhance innovation, transform Danish SMEs into models of growth, and secure Denmark’s leading role in the green economy. More can be learned about this approach in the article on page 4.

Good governance

With more than EUR 351 billion now available to help regenerate Europe’s regions, it is essential that these funds are invested well and securely. Indeed the new regulations provide a stronger legal basis for fighting against corruption and fraud, and contain for the first time the explicit requirement to put in place risk-based, effective and proportionate fraud prevention measures. Just as important is a clear emphasis on the setting of clear goals as well as fulfilling certain conditions before these investments can flow. Clear political commitment will be vital in ensuring the proper use of ESI Funds.

Finally we should not forget the support that the EU can bring to Member States in times of natural disasters. In this issue we highlight the work done under the EU Solidarity Fund to help recovery from earthquakes, storms and floods and we highlight recent reforms to make aid delivery faster and more effective.
DENMARK PUTS PARTNERSHIP INTO PRACTICE

Denmark was the first country to have its ESIF-partnership agreement (PA) approved by the Commission on the 5 May 2014. While waiting for the approval of the operational programmes (OPs), Panorama has interviewed regional policy director, Preben Gregersen, and Head of Division Marie Guldborg.

When did Denmark begin preparing its PA? How was your approach to the process at the beginning? What where the key elements taken into account?

PREBEN GREGERSEN ‘Before the summer holidays in 2012 we set up a small task force at a ministerial level including the Ministries of Finance, Foreign Affairs, Food, Agriculture and Fisheries, and Business and Growth. The establishment of this group of the most central ministries was the first step. I have been part of the preparation of new strategies and programmes several times, and my experience is that it is important to start early if you want to be ready almost on time. Quite a lot of people thought that it was almost too early to start in the middle of 2012. And indeed there are always valid arguments about uncertain elements: budget, regulations, implementing acts, etc. But I think the involved partners are content today.

‘Next step was the establishment of a group of 10 important ministries to support the process, and in September 2012 we invited about 100 participants from organisations, ministries, regions, municipalities and NGOs to a start-up event introducing the tentative regulations, the most important growth challenges in Denmark and having the first discussions on the strategic approach.’

How far is the Danish PA the result of a partnership between the main actors involved?

MARIE GULDBORG ‘It is definitely the result of a partnership between ministries, regions, businesses, academics and NGOs. We have held two big events to which all relevant partners were invited – one at the very beginning and one at the end. In between we held bilateral meetings with several partners including business organisations, green organisations...’
and NGOs, the regions and the municipalities. We have discussed the approach and the common strategy for the four funds, and we have discussed the contents of the programmes because of the close connection between programmes and the partnership agreement. We have also had workshops and events on the operational programmes, including introductions to issues related to the partnership agreement.’

▶ How would you evaluate the input of the Commission services during your country’s negotiations?

PREBEN GREGERSEN ‘I think we have had a very fruitful cooperation with the Commission. Generally speaking the Commission’s position paper from November 2012 did not include anything unexpected.

‘Since autumn 2012 we have had an ongoing informal dialogue with the Danish desks. That informal dialogue has proven to be the key. We appreciate highly what two handfuls of dedicated Commission colleagues did for us – at all levels. I think that the informal dialogue and the informal discussions have facilitated our political process in Denmark and made it possible to make political decisions even though we did not have any regulations approved.

‘The Commission and the Danish authorities have had a common interest in preparing the partnership agreement and the operational programmes in a constructive and progressive process. On the one hand it has been important to have the courage to continue the political process in Denmark even though the regulations were not approved and decisions were made on draft versions. We have been first movers in some ways. Then on the other hand it is important that the Commission is aware, that the implications of such an informal process are that it is quite difficult to change political mandates if the Commission suddenly – and quite late – gets second thoughts. But generally speaking the Commission has helped us finding sustainable solutions and constructive compromises.’

▶ INNOVAID
The start-up company Innovaid designs and produces training equipment for children with disabilities. MTIC – an ERDF-funded project specialised in business development within MedTech – helped founder Martin Hjort to get started.

▶ LITTLESMARThINGS
The ERDF-project LittleSmartThings on Bornholm focuses on the development of unmanned aerial vehicle technology.
What was your experience of closely coordinating the development of four funds? How did you establish a coherent approach?

MARIE GULDBORG ‘Of course the partnership agreement is a new way of working and we had to think about potential synergies and how to make a coherent strategy based on the experiences from the former period. In the AgriFish Agency we know more about the Regional Fund and the Social Fund than we did before – and I know that the colleagues in the Danish Business Authority feel the same way about the Rural Development Fund and the Maritime and Fisheries Fund.

‘In my opinion we had a good process which was based on the experiences from 2007-2013. Our four funds already supplemented each other quite well during that period. Another important element is the fact that only two ministries are responsible for the four ESI-funds in Denmark: the Danish AgriFish Agency is responsible for the EMFF and EAFRD, and the Danish Business Authority is responsible for the ESF and the ERDF. Coordination and close contact is much easier when you are only two ministries instead of maybe three or four.

‘The Commission position paper gave us good guidance, and actually the biggest discussions on strategy were expected in advance, so no real surprises happened during the PA process. In my opinion there is an overall Danish consensus on the main growth issues in all sectors which made it easier to formulate a coherent strategy. From the beginning the coherent strategy was mainly discussed in the group of the ten ministries – and later it was introduced to the regions and the municipalities and the rest of the partnership.

‘We had a few demarcation discussions on the four funds – for example, regarding education of farmers and support to innovative farmers – but we have found solutions that are acceptable.’

How should cohesion policy contribute to the economic development of Denmark?

PREBEN GREGERSEN ‘Denmark is performing better now – and the Copenhagen area is even performing well – compared to the economic crises of 5-6 years ago. We expect that we are on our way out of the financial crisis. The Danish government has published growth plans on issues important for Danish enterprises because of international competitiveness. Cohesion policy will give an additional boost and ensure that all regions will be part of the development. But from a European perspective, we do not get a lot of money from the ESI Funds and we cannot boost a lot.’

What results do you expect for Denmark at the end of the seven year period?

MARIE GULDBORG ‘The principle of thematic concentration is in line with the Danish government priorities. As a consequence our programmes will focus on fewer initiatives than in the
previous period, and the chosen measures will be those with a significant effect and those being cost effective. We hope that the results at the end of the period will reflect this.

‘Further, I expect that it will support a more green and sustainable agricultural sector and a more environmentally sustainable and productive fisheries sector. In my opinion our programmes and the partnership agreement include a lot of possibilities that could facilitate this development.’

PREBEN GREGERSEN ‘I am a fan of genuine place-based approaches and genuine partnerships, and I hope that the regional growth fora in Denmark will prioritise the funds in growth and job creation initiatives in all Danish regions bearing in mind the issues of smart specialisation and the special challenges in some of the areas facing structural challenges. Denmark did have a growth approach in the 2007-2013 period as well. We have learnt a lot since 2007, and we have a lot of data, which could be used to estimate the results for the coming period. We are working with a results orientation and have been doing that for some years.’

▶ HAVE YOU BEEN IN CONTACT WITH OTHER MEMBER STATES DRAFTING THEIR OWN PA?

MARIE GULDBORG ‘Quite a lot of countries asked for our partnership agreement, but we did not talk a lot with other countries during the process. And when we did have contact with other Member States we mainly exchanged information on the process and the cooperation with the Commission.’

▶ WHAT LESSONS HAVE YOU LEARNED FROM THIS EXERCISE AND WHAT WOULD YOU DO DIFFERENTLY, KNOWING WHAT YOU KNOW TODAY?

MARIE GULDBORG ‘The close contact and the informal dialogue with the task force in the Commission during the last two years have been important for the progress and result of our work. Though we have spent much time on, for example, bilateral meetings with the Commission, it has been time well spent, because discussions were taken during the writing process and not after the formal submission of the partnership agreement.

‘Another lesson learned is that planning is important in such a long process, but flexibility in one’s work is even more important, because we have been writing the partnership agreement and the programmes while we were waiting for the final regulations, the guidelines for the content of the documents, and the decisions on the allocation of budgets for the ESI Funds.’

PREBEN GREGERSEN ‘As I said before, my experience is that you have to start the programming process including the partnership process earlier than almost everybody else thinks. Of course it also costs to be first movers. I think I have noticed that an informal negotiation is as much a negotiation as a formal one. You give and you take. And I hope that the Commission does not take too much when our programmes come to the formal procedure.

‘Today I am happy that we insisted on starting at that time back in 2012. I am happy that we had the courage to develop the partnership agreement and programmes in parallel with the development of the regulations. And I am happy that we have had an open and transparent dialogue with our partnership. That means consensus on the approach, and I am looking forward to implementing the 2014-2020 programmes.’

▶ FIND OUT MORE

www.regionalt.dk
http://agrifish.dk

EU SUPPORT FOR THE ESI FUNDS IN DENMARK 2014-2020

| EAFRD | EUR 629 million |
| EMFF | EUR 208 million |
| ESF | EUR 206 million |
| ERDF | EUR 206 million |
Urbanisation is becoming one of the most important challenges for the 21st century. Over the next decades, the population living in cities will grow by over one billion people, mainly in developing countries. This creates huge challenges as urban planners need to develop proper infrastructures and create appropriate models of urbanisation.

In order to help face these challenges by fostering worldwide exchanges of experience, the United Nations Human Settlements Programme (UN–Habitat) organises a World Urban Forum every two years, as the major global meeting place for urban managers and stakeholders. UN–Habitat is the United Nations agency mandated to promote socially and environmentally sustainable towns and cities to provide adequate shelter for all.

Now in its seventh edition, the World Urban Forum (WUF7) in Medellin focused on the fight against inequalities and promoting inclusion, considered as key factors for sustainable urban development. The event was opened by Manuel Santos, President of the Republic of Colombia, Joan Clos, Executive Director of UN–Habitat and Under-Secretary General of the United Nations, Anibal Garcia, Mayor of Medellin, and Sergio Fajardo, Governor of the Antioquia Department.

Cities, a priority in policy making

EU cohesion policy featured at the Forum as a major example of effective public urban policy.

At the roundtable of Ministers on the topic of national action for equity in cities and development, Commissioner Hahn stated ‘Cities can no longer be an afterthought in policy making, they have to become an explicit priority’. He outlined the three priorities of EU urban policy – boosting the research and innovation capacity; supporting small and medium sized enterprises; investing in the low carbon economy – and drew attention to the flourishing international interest in the EU cohesion policy model.

Urban planning is becoming ever more important as European cities will come under increasing pressure from rising populations. Gata Ngoulo, Minister of Finance in Chad, argued that climate change, natural hazards, and wars will provoke massive migration flows, notably towards Europe. Solutions would need to address decent housing, basic infrastructure, urban and territorial planning, urban ecology and good urban/rural linkages, notably via secondary cities.
Open Cities of Tomorrow – Fostering Inclusiveness and Community Involvement

The Commission hosted a networking event with the Inter-American Development Bank, which showcased examples from European (Malaga, York, Riga, Torino) and South American (Sao Paulo, Mar del Plata) cities. These examples focused on key challenges for cities – housing, the environment and youth jobs – providing an insight into co-creation and open-innovation approaches, with the emphasis placed on ‘what works’ and how we can share it better.

Riga, Latvia
The second largest Nordic city and the largest in the Baltics, is a multicultural hub of 150 nationalities. The city aims to engage young people through a participatory approach to local policy, focusing on key issues for young people with impact, community value and which are youth led. Riga strives to establish realistic national and local policies which resonate with the young and diverse community.

Torino, Italy
One of the most important European industrial cities in the 20th century, in the last two decades Torino has dramatically changed. The city has been able to create diversified economic drivers and pressing societal challenges – such as youth unemployment, pollution, and high public debt – are being tackled through the Torino Social Innovation programme. The URBACT-supported initiative helps young people to become ‘changemakers’ and develop innovative solutions for a better and more sustainable community.

São Paulo, Brazil
The most populous city in Brazil, with 11 million inhabitants, São Paulo is responsible for 12% of the country’s total GNP. But despite its economic power and innovative economy there remain some significant disparities among neighbourhoods, with significant exclusion and deprivation alongside well developed urban areas.

Engaging local communities and improving cities’ social fabric

According to panellists in a special session on the financing of the new urban agenda that attracted an audience of over 1,000 people, successful urban policy is only possible by: engaging and building on the resources and competences of local communities; strengthening the institutional and administrative capacities of local authorities; and pursuing a territorial approach at metropolitan level.

Joan Clos stressed the role of strong national urban agendas and US Secretary of State Shaun Donovan spoke about trends in the US, which now faces a process of re-urbanisation, relying heavily on the third sector and community involvement.

The realisation is already present for many public authorities. Anne Paugam, Chief Executive Officer of Agence Française de Développement (AFD) explained that 50% of the EUR 3.5 billion AFD funding already goes on urban development, and underlined the importance of long term funding and the role of banks.

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Luis Alberto Moreno, President of the Inter-American Development Bank, underlined the importance of the ‘social fabric’ to address the fact that worldwide 40% of cities have a significant number of people living in deprived neighbourhoods with a high level of crime.

The key issue of urban equity was addressed by speakers throughout the Forum, notably by Nobel economics Laureate Joseph Stiglitz who drew attention to the poor who are the main victims of badly planned cities, suffering from a lack of transport, decent accommodation and public spaces. He underlined that inequality and segregation are mistakes that lead to a country’s political instability and economic weakness.

Exchanging best practices through cooperation

According to José Carrera, Vice President of CAF Development Bank of Latin American, 70% of municipalities do not have the administrative and financial capacity to carry out the necessary projects.

The European Commission is therefore currently analysing possibilities of cooperation on urban development, notably in Latin America through the URBELAC (Urban European, Latin American and Caribbean cities) Programme.

NEW URBAN AGENDA

Participants of the Seventh World Urban Forum highlighted the need to promote a new urban agenda that can overcome the challenge of the lack of adequate legal framework and planning, which leads to the relentless expansion of cities, intensive energy use, alarming and dangerous on climate change impacts, multiple forms of inequality and exclusion, and increased difficulties in providing decent work for all. This agenda should promote an urbanization model that is people-centred, based on ‘Cities for Life’.

The new urban agenda requires new technologies, reliable urban data and integrated, participatory planning approaches to respond both to present challenges and emerging needs of cities of the future.

We acknowledge that there are many models of urbanization that respond to countries’ and cities’ diverse cultural, institutional and social conditions. In this context, the new urban agenda should:

▶ Encourage governments to develop and use methods, such as national urban plans and policies, that link current urban development with future needs, and that are solidly grounded in the fundamental principles of equity, justice and human rights.

▶ Advance greater social cohesion and break down social divides, promoting equity through empowering all segments of society, particularly women, youth and indigenous peoples.

▶ Promote participatory and inclusive local governance that empowers all inhabitants; recognize key contributions of various levels of government, including regional, sub-regional and municipal levels; strengthens formal coordination mechanisms; defines joint responsibilities; and provides each level of government with the necessary resources and incentives to carry out their respective roles effectively.

▶ Promote sustainable urban development, based on urban planning that promotes youth participation, gender equality, balanced territorial development; strengthened resilience to climate change and natural disasters; the upgrading and prevention of slums; and provision of housing, basic services and land tenure security; access to safe, affordable, accessible, and sustainable transport; and access to safe public spaces and services for all.

▶ Promote active and committed participation of the private sector, civil society, including grassroots communities, and other constituencies through partnerships to ensure broad-based economic and social development, in order to reduce poverty and create jobs for all.

Excerpt from the Medellín Declaration

▶ FULL TEXT AVAILABLE AT: http://worldurbanforum7.org/Media/Default/PDF/Medell%C3%ADn%20Declaration.pdf/
We have a growing number of dialogues on cohesion policy around the world. Urban development is a major theme in these dialogues, both with Latin America and with China. Europe’s cities are open for business to the rest of the world, and we know they will succeed best in partnership with others, which is why the EU strives for free trade around the world.

JOHANNES HAHN – EUROPEAN COMMISSIONER FOR REGIONAL POLICY
Why Medellín?

It is no coincidence that the WUF7 was held in Medellín, as there is probably no other city in the world that better demonstrates the potential for urban change.

In 2013 The Wall Street Journal declared Medellín the most innovative city in the world. This was only the latest of a string of international awards which have included the Harvard University prize for urban design and the 2013 Sustainable Urban Transport Award (shared with San Francisco). Yet, as recently as 1991 the city also had a global reputation, but for the wrong reasons. Then, it had the highest homicide rate on the planet (381 murders per 100,000 residents), at the height of its narco-related gang violence. However, through their policy, urban authorities managed to reduce this rate by 10 in twenty years.

‘Inequality is the root of urban violence’

In the city’s Gallery of Modern Art, a huge panel occupies the centre of the main exhibition space. This sets out the Medellín Diagram, which provides a strategic narrative to the city’s recent and ongoing journey. Subtitled, ‘A story of civic freedom: How a public emerged from conflict, restored urban dignity, activated collective agency and reclaimed the future of its own city’, it underlines that this was first and foremost a political process. Its opening statement proclaims that ‘Inequality is the root of urban violence’.

Investments in public transport

Perhaps the most emblematic symbol of Medellín’s striking transformation is the Metrocable. Towering over the city skyline, this cable car system transports 30,000 people a day from mountainside barrios to the city centre. For those in work, this has reduced their daily commute from three hours to forty minutes at a stroke. Perhaps, more significantly, it has opened up communities which for decades were isolated, socially excluded and infested with crime and violence. Medellín now has the best-integrated public transport system in South America, with the Metrocable and gas-powered buses connected to a fast, clean and efficient metro network.

In the south of the city a different kind of transport intervention has driven a wedge into Comuna 13, historically one of Medellín’s most dangerous neighbourhoods. There, a series of electric escalators has opened up this barrio which perches on the side of a steep hillside, breaching the isolation which contributed to it being a no-go area for outsiders in the past.
In this edition, Panorama focuses on the European Maritime and Fisheries Fund (EMFF), one of the five European Structural and Investment (ESI) Funds alongside the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), and the European Agricultural Fund for Rural Development (EAFRD). The ESI Funds are the main funding programmes for the 2014-2020 period for supporting growth and jobs across the EU.

The European Maritime and Fisheries Fund (EMFF) is the EU’s instrument to support the new Common Fisheries Policy (CFP) which seeks, from 2014 to 2020, to improve the social, economic, and environmental sustainability of Europe’s seas and coasts by supporting local projects, businesses, and communities on the ground.

The EMFF is one of the five European Structural and Investment Funds which all complement each other and seek to prioritise a growth and job based recovery in Europe.

WHAT IS ‘BLUE GROWTH’?

Europe’s oceans, seas and coasts have great potential for innovation and growth. ‘Blue growth’ is the EU strategy to support sustainable growth in the marine and maritime sectors and contribute to the Europe 2020 strategy. The ‘blue economy’ represents roughly 5.4 million jobs in the EU and generates a gross added value of almost EUR 500 billion a year, but further growth is possible.

> FIND OUT MORE
http://ec.europa.eu/maritimeaffairs/policy/blue_growth/
The aim for this new programming period is to maximise synergies between the Funds in order to improve coordination and efficiency and to avoid double funding. Its EUR 6.4 billion budget will focus on job creation, diversifying local economies in coastal regions, and making fishing more profitable and sustainable.

Although wide reaching in its aims, the EMFF is based around six main pillars:

- **Sustainable fisheries**, ensuring a balance between fishing capacity and available resources, becoming more selective, and putting an end to wasting fish inadvertently caught.
- **Sustainable aquaculture** will help the sector grow and become more competitive by following specific rules on eco-friendly methods of production and strict quality, health and safety regulations – thus providing Europe with quality, trustworthy, nutritional products.
- **Implementing the CFP** by improving data collection, scientific knowledge and the monitoring, control and enforcement of fisheries legislations.
- **Helping coastal communities** that depend on fisheries to diversify their economies into other maritime activities such as tourism, and help them to add more value to their fishing activities.
- **Improving the marketing and processing** in the fisheries and aquaculture sectors.
- **Supporting ‘blue growth’ from the seas** by improving marine knowledge, better planning our activities at sea, managing each sea-basin according to its needs, and promoting co-operation on maritime surveillance.

Recognising the importance of small businesses to Europe’s economy and to the fishing industry, the EMFF focusses support on small and medium sized enterprises (SMEs) and, in particular, small scale coastal fleets that make up a large proportion of the sector and have the potential to have a transformative effect on the local communities they serve. Support for marketing and businesses strategies will be made available, as will training for unemployed young people and fishermen’s spouses to help them play a greater role in these local, often family-run, businesses.

Young fishermen under the age of 40 will also be able to receive help to buy a vessel if they have five years’
example in the industry. These measures are designed to provide social cohesion across Europe’s coasts, and help to give local communities more ownership of their local fisheries.

However, stopping the wasteful practice of discarding fish is vital if the next generation of fishermen, and those that will follow, are to prosper in the long term. If not tackled, its effect on our fish stocks could be catastrophic. Discarding will thus be phased out and fishermen will be required to land all of their catches. To accommodate this, EMFF support will be allocated for the landing, storing, processing and commercialisation of this catch, which will have the added benefit of helping local fishing communities diversify their economies. Funds are also earmarked for fishermen to take part in trials with low impact fishing gear to help them ensure they only catch what they are after.

Finally, the EMFF will build on the positive experience gained by Axis 4 of the European Fisheries Fund, community-led local development. Through innovative and integrated approaches, the ESI Funds will offer a broad range of opportunities for local actors to adopt a bottom-up approach to local challenges in coastal communities, in particular with the promotion of linkages between urban, rural and fisheries areas. If implemented successfully, community-led local development can help to support new markets and products, can promote job creation in fisheries areas and can also strengthen the role of fisheries communities in local development.

Ultimately this is what the EMFF seeks to achieve – to create the conditions for local businesses and communities to unlock the sustainable and inclusive growth which Europe needs and which the EU is committed to making a reality by 2020. The EMFF will not prescribe how every single cent should be spent; it is about letting those who know their craft, industry, and local community best work towards a bright, blue, and sustainable future for Europe’s fisheries.

▶FIND OUT MORE
A new Regional Entrepreneurship and Development Index (REDI) has been developed by a recent project, financed by the Directorate General for Regional and Urban Policy. The index takes into account both individual attitudes and characteristics and the regional context and, accordingly, not only whether people are willing to start a business but whether the conditions to do so are in place in the region concerned. The index covers entrepreneurial attitudes, abilities and aspirations.

The variations across regions are substantial, with over a four-fold difference between the region with the highest ranking (Hovedstaden in Denmark) and that with the lowest.
Regional Entrepreneurship and Development Index

Combined Index 2013

(Macroregiunea dois in Romania). The top 10 features four Swedish regions, two each from Denmark and the UK, and one from both France and Ireland.

The analysis of the individual factors for entrepreneurship gives a slightly different picture than the combined index. The top 10 regions in the ‘individual’ index still include five of those in the top 10 of the combined index (for example, London, UK, Hovedstaden, DK, and Ile de France, FR), but there are also two Slovenian regions and two from Ireland. The bottom 10 regions, unlike in the case of the combined index, include three from Germany and four from Poland.
1 May 2014 marked the 10th anniversary of the biggest enlargement in the EU’s history with the addition of 10 new Member States, most of them from Central and Eastern Europe. Ten years on, Europe is stronger, richer and safer — politically, economically and culturally.

A decade ago, the European Union grew through the accession of the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia from Central and Eastern Europe and Malta and Cyprus from the Mediterranean region.

Enlargement has made the EU the world’s biggest single market. Increased trade between member states brings new jobs, investment and growth. Enlargement has further strengthened Europe’s weight in the world. As an economic grouping of 500 million citizens, the EU can make its voice heard across the globe.

‘United, we count much more in the world; united we are in a better position, not only to defend our interests but to promote our values,’ commented Commission President José Manuel Barroso on the occasion of this historic anniversary.

Enlargement Commissioner Štefan Füle said: ‘The accession of 10 member states on 1 May 2004 has brought us shared stability, security and prosperity. It has reunited Europe after years of artificial division during the Cold War.’

Indeed the EU’s eastern enlargement has firmly anchored democracy, freedom and the rule of law for millions of people who had lived behind the Iron Curtain. Joining the European Union was a symbol of hope and a better future for millions of people.

Stability and unity

Ten years ago, the EU enlarged from 15 to 25 Member States, bringing stability to a reunited Europe. Two subsequent enlargements have brought the number of Member States to 28, with the accession in 2007 of Bulgaria and Romania, and of Croatia in 2013.

Today, the enlargement policy continues to drive transformation and promote stability in the countries of south-east Europe which aspire to EU membership. The pull and influence of the EU is helping them implement democratic and economic reforms, improve the rule of law and build bridges with their neighbours, thus overcoming the legacy of the past.

Growing trade for new Member States

Enlargement has expanded the internal market. It has further opened trade and financial flows thereby giving opportunities to firms in the EU and in the incoming countries. Trade between old and new Member States has grown almost threefold.

GDP in central and Eastern Europe grew on average by 4% annually in the period 1994-2008. It is estimated that the accession process itself contributed almost half of this growth, i.e. 1.75% per year over the period 2000-2008.

New jobs

The economic dynamism of these countries generated three million new jobs in just six years from 2002 to 2008. Growth in the acceding countries contributed to growth in the ‘old’ Member States through increased investment opportunities and demand for their products. It contributed 0.5% to the cumulative growth of the EU-15 countries (1) in 2000-2008.

As a sign of the attraction of the larger single market to investors, foreign direct investment (FDI) from the rest of the world to the EU since accession has doubled as a percentage of GDP (from 15.2% of GDP in 2004 to 30.5% of GDP in 2012) with the enlarged EU attracting 20% of global FDI.

The EU-15 FDI stock in EU-12 (2) reached EUR 564 billion in 2012, 357% up from 2007.

(1) EU-15: the 15 EU Member States prior to enlargement in 2004.
(2) EU-12: the EU Member States joining in the 2004 and 2007 enlargements.
ENLARGEMENT
FACTS AND FIGURES

ECONOMIC IMPACT SINCE 2004
▶ The economic dynamism of the then ‘new’ EU countries has generated three million new jobs in just six years from 2002 to 2008.
▶ German exports to the 12 countries that joined since 2004, have almost doubled since 2004.
▶ UK exports grew by approximately 50%.
▶ For the Netherlands, enlargement generated additional income of EUR 11 billion.
▶ Austria’s yearly GDP increased by 0.4% thanks to enlargement.

GLOBAL IMPACT
EU has 7% share of global population (2012 figures) while its share of global GDP stands at 23%.
▶ The EU is amongst the top 5 best performing economies in the world.
▶ It is the largest player on the global trading scene.
▶ The EU is the largest source and destination of the foreign direct investment.

Cohesion policy investment
Cohesion policy funding together with the co-financing provided by Member States, now accounts for a very significant proportion of public investment in Europe – more than half of all public investment in Member States such as Slovakia (92%), Hungary (88%), Bulgaria (81%), Lithuania (79%), Estonia (70%), Malta (63%), Latvia (60%) and Poland (54%) between 2010 and 2012.

EU-wide benefits
A bigger Europe is a stronger Europe. In 2012, EU GDP was 23% of world GDP, amounting to EUR 13 trillion. Accession has benefitted both those countries joining the EU and the established Member States. As the EU expands so do opportunities for companies, financial investors, consumers, tourists, students and property owners.

The enlargement process has helped improve the quality of people’s lives through integration and cooperation in areas like energy, transport, rule of law, migration, food safety, environmental protection and climate change. Enlargement helps ensure that the EU’s own high standards are applied beyond our borders, which reduces the risks of EU citizens being affected, for example, by imported pollution.

The enlarged Europe is in some respects a safer place. Through the accession process, the EU promotes democracy and fundamental freedoms and consolidates the rule of law across the aspirant countries, reducing the impact of cross-border crime. Current enlargement policy is reinforcing peace and stability in south east Europe and promoting recovery and reconciliation after the wars of the 1990s.

The enlarged EU has more influence in today’s multi-polar world. An enlarged Union enhances the soft power needed to shape the world around us. It helps project our values and interests beyond our borders.

FIND OUT MORE
EUROPE DAY 2014 ACROSS THE EU

Every year on 9 May, Europe celebrates Europe Day – the anniversary of the Schuman Declaration, a speech delivered on 9 May 1950 by Robert Schuman, then Foreign Minister of France, that led to the creation of what would ultimately become the EU. This year also marked the 10th anniversary of the EU’s eastern enlargement.

FRANCE / Auvergne
Auvergne celebrated a whole ‘month of Europe’ with more than 50 events between 9 May and 9 June. Concerts, conferences, games and competitions, organised in cooperation with 20 partners, all had one aim: to help people discover Europe. This year’s events centred on games and competitions. The quiz Joue l’Europe en Auvergne (Play Europe in Auvergne) challenged students across the region to correctly answer questions on Europe. A ‘selfie’ contest was organised from 9 May on the Twitter account @mdeaupergne with the hashtag #mde2014, and people could win concert tickets for the Europavox festival on Facebook.

Find out more: www.europe-en-auvergne.eu

AUSTRIA / Vienna
On the eve of Europe Day, the event ‘Vienna for Europe – Europe for Vienna’ took place at Vienna City Hall, with Mayor Michael Häupl welcoming the Commissioner for Regional Policy, Johannes Hahn, and former MEP Mercedes Echerer. The Mayor underlined that peace, economic prosperity, and social balance are at the core of the EU, stating ‘Strong cities are the only way to guarantee a strong Europe’. Commissioner Hahn’s speech focused on Vienna’s role and responsibility as a city of the Danube Region with supra-regional importance.
NETHERLANDS / Brabant
For several years now, the Netherlands have celebrated Europe Day with the Europa Kijkdagen (Europe Open Days), an event that shows the public the importance of Europe in our regions. For three days, EU-funded projects organise open doors events and people experience for themselves the difference Europe makes – such as the Unas project in Breda.
▶Find out more: www.europaomdehoek.nl

HUNGARY / Budapest
The Prime Minister’s Office and the European Commission Representation organised a 10 km race along 10 emblematic projects co-funded by the EU in the heart of Budapest on 11 May 2014 to mark the 10th anniversary of Hungary’s accession to the EU and Europe Day. More than 2000 participants attempted the course, which passed spectacular project venues such as the Franz Liszt Academy of Music, the Lukács and Rudas Spa Baths and the Castle Bazaar. The awards ceremony took place at Erzsébet Square in the heart of Budapest, the location of the Europe Day Festival. An exhibition of EU co-funded projects, organised by the Prime Minister’s Office, doubled as a launch event for a recent publication showcasing up to 100 projects implemented in Hungary between 2007 and 2013.
▶Find out more: http://bbu.hu/eu10/
LITHUANIA / Vilnius
A big street exhibition presenting an illustrated map of Lithuania and highlighting the country’s transport sector was held in one of the central squares of the capital city Vilnius. Alongside, a themed tent welcomed visitors of all ages, providing information on EU-funded transport infrastructure projects. Throughout the day, visitors were invited to solve thematic crosswords and test their knowledge by taking interactive quizzes. The event was organised by the Lithuanian Ministry of Transport and Communications as part of the three day long Europe Day celebrations organised by the European Parliament Information Office in Lithuania.

POLAND / Warmińsko-Mazurskie
The Lithuania-Poland Cross-border Cooperation Programme celebrated Europe Day and the 10th anniversary of Poland’s accession to the European Union with the citizens of Olsztyn, the capital of the Warmińsko-Mazurskie Voivodeship. The event ‘You gain by cooperating’ gathered beneficiaries of the programme wanting to show and tell about their projects’ achievements. Visitors to the Olsztyn Old Town were invited to take part in the shows ‘Fire brigade in action’ and ‘Dogs working for the Custom Chamber’, a series of first aid, equipment and vehicles demonstrations. They could also attend special film shows about Poland’s and Lithuania’s common history and try their hand at games and competitions on the EU.
▶Find out more:
www.lietuva-polska.eu
ITALY / Campania
On 9 May the region of Campania organised an award ceremony for the students who took part in the contest Racconta all’Europa, Chiedi all’Europa ('Tell Europe, ask Europe'), promoted by the region to explain the role played by the EU in local development. The event aimed to expand people’s knowledge about the work undertaken by Campania in the programming of EU funds, mainly the ERDF. The ceremony was an opportunity to present engaging multimedia productions and to promote the founding values of the EU.
▶Find out more:
www.facebook.com/concorso.raccontaalleuropa
http://festivaleuropasecondaedizione.digitcampania.it/

CROATIA / Zagreb
The European Commission Representation, the European Parliament Information Office and the Ministry of Foreign and European Affairs jointly celebrated Europe Day in Zagreb. Fifteen participating institutions showcased their informational and promotional materials, informing interested citizens about projects funded by the Structural Funds, and regarding Croatian membership in the EU. After introductory speeches by the Minister of Foreign and European Affairs Ms Vesna Pusić and the Head of the European Commission Representation Mr Branko Baričević, performances by choirs and DJs as well as workshops for children took place. During a speed dating event, candidates for the European elections had the opportunity to present themselves to the public.

CZECH REPUBLIC / Prague
The annual celebrations of Europe Day were connected with the 10th anniversary of accession of the Czech Republic to the European Union. Events across the country aimed to stimulate discussions about the benefits, experiences and future direction of the Czech Republic in the EU. The events started with a conference held under the auspices of President Milos Zeman about ‘The Czech Republic and Europe, through each other’s eyes’. On 29 and 30 April 2014 an open air festival for the public with musical performances, information stalls about European issues and quizzes was held on one of Prague’s river islands. On the eve of the anniversary of accession the Petrin tower was lit up in the colours of the EU and Prague’s sky was lit by fireworks.
At the RegioStars Award Ceremony in Brussels on 31 March 2014 Johannes Hahn, Commissioner for Regional Policy, and Luc Van den Brande, former Committee of the Regions President, announced the winners of the prestigious RegioStars 2014 Awards, which celebrates Europe’s most promising and innovative regional projects.

The 2014 awards fell into four categories which reflect the core issues which Europe currently faces: generating growth and jobs, tackling youth unemployment, promoting the green economy and sustainable urban transport.

In the run-up to this 7th edition of RegioStars, the RegioStars Jury shortlisted 19 finalists from 80 projects on the basis of four key criteria: innovation, impact, sustainability and partnership. These projects were showcased in October 2013 during the 11th annual European Week of Regions and Cities – OPEN DAYS 2013 and the winners selected for the Award ceremony.

This year’s event came at a crucial time as Member States are finalising their strategic investment plans, the so-called ‘Partnership Agreements’ on how to spend the European Structural and Investment Funds over the next seven years.
SMART GROWTH
ART ON CHAIRS – NORTE, PORTUGAL
SUPPORTING GROWTH THROUGH INNOVATIVE DESIGN
This creative design project has helped to breathe new life into a long-established furniture sector of the Portuguese regional economy. The furniture industry has for years been one of the most important industrial activities in the northern Portuguese city of Paredes. The city has the highest concentration of chair factories in Europe and accounts for 65% of national furniture production. Although the industry was highly productive, its image was old-fashioned and conservative. The ‘Art on Chairs’ project was devised to capitalise on the region’s expertise in furniture construction and to stimulate creativity in the industry. The project culminated in an international exhibition held in 2012 in Paredes which was one of the largest ever global events focused on chairs, art and design. ▶Find out more: www.artonchairs.com/pt/index

INCLUSIVE GROWTH
FIFTEEN CORNWALL – CORNWALL AND ISLES OF SCILLY, UK
LAUNCHING A NEW LIFE IN THE KITCHEN
A passion for cooking is transforming young lives in one of the most disadvantaged parts of England. Inspired by the celebrity Chef Jamie Oliver, ‘Fifteen Cornwall’ is more than a restaurant but is a social enterprise which offers a chance to disadvantaged unemployed 16-to 24-year olds the opportunity to train as chefs. This ground-breaking initiative has trained almost 130 young people, many of whom are dealing with serious challenges such as criminal records, substance misuse, mental illness or disability. 89 of them have graduated as chefs and more than 90% are still in employment. Each year, the project invests around EUR 1.2 million back into the local economy, creating jobs for the region’s vital tourist sector. ▶Find out more: www.fifteencornwall.co.uk/

SUSTAINABLE GROWTH
BEACON – WEST WALES AND THE VALLEYS, UK
MEETING THE DEMANDS OF AN EVER INCREASING POPULATION
The surge in population coupled with the growing threat of climate change will see demand for the planet’s resources to increase dramatically. BEACON is an initiative that is building integrated ‘green supply chains’ to develop new routes towards functional, cheap products using biomass rather than oil. The focal point of the BEACON project is biorefining, a process that uses non-food crop feedstocks, in much the same way that oil refineries use crude oil, to produce a broad spectrum of commodity products. Biorefining is seen as crucial for the EU’s burgeoning bio-economy. BEACON has built a network of scientific expertise based at the Universities of Aberystwyth, Bangor, and Swansea in Wales, UK. Through this network, the project is creating new jobs in rural Wales, stimulating inward investment and promoting Welsh scientific excellence at a global level. BEACON has already assisted several companies in a variety of sectors to produce innovative products. For example, its collaboration with Aber Instruments in Aberystwyth has resulted in the Welsh biomass measurement company receiving its first order for biomass probes. ▶Find out more: beaconwales.org/en/

CITYSTAR
GDYNIA TROLLEYBUS NETWORK – GDYNIA, POLAND
GREEN TROLLEYBUSSES BRING A BETTER QUALITY OF URBAN LIFE
The project set out to increase the competitiveness of environmentally-friendly public transport and to improve quality of service. It has involved a major upgrade of the Gdynia trolleybus system and infrastructure which has increased passenger numbers and reduced travel times. 28 new low-floor trolleybuses were purchased to increase the number of modern, eco-friendly and accessible trolleybuses. The project has rebuilt the image of public transport in Gdynia, leading to an increase in the number of passengers and creating direct benefits for the residents and the local economy. ▶Find out more: www.pktgdynia.pl/?lang=en

▶FIND OUT MORE

panorama [SUMMER 2014 ▶ No. 49]
The Committee of the Regions (CoR) was created in 1994. This year it can look back on 20 years of ever-growing influence on the European scene as ‘the voice of regions and cities in the EU’.

In the last 20 years the CoR has become a proactive assembly with an important and constructive role in the shaping and development of EU policies relating to the regions. This growing status and influence has been reflected in its contribution to the new Regulations for cohesion policy 2014-2020, where it has successfully argued for and brought about changes to match the best needs of Europe’s regions and cities.

Championing the regional point of view

For twenty years the Committee of the Regions has worked tirelessly for an ever more regional approach that brings Europe closer to its citizens. It argues for a Europe that pays greater heed to the principle of subsidiarity and the specific characteristics of the regions.

COTER – Commission for Territorial Cohesion Policy

CoR members are organised through six commissions responsible for supporting the preparation of opinions on the European Commission’s legislative proposals. The Commission’s regional policy legislative proposals are dealt with by the Commission for Territorial Cohesion Policy (COTER). The COTER commission is in charge of economic, social and territorial cohesion, European Structural and Investment Funds, spatial planning, urban policy, housing, transport and trans-European transport networks, territorial cooperation (including EGTC) and macro-regions.

The COTER commission has been very supportive of cohesion policy and is a strong ally of the European Parliament’s REGI committee. The impact of COTER on the reformed cohesion policy for the 2014-2020 period is highlighted on page 27.

FIND OUT MORE
THE CoR IN A NUTSHELL

Using its experience from the grass roots of Europe, the role of the CoR is to put forward local and regional points of view on EU legislation. It does so by issuing reports (‘opinions’) on European Commission proposals. The CoR can also draw up opinions on its own initiative, which enables it to put issues on the EU agenda.

The CoR has 353 members who are regional and locally elected representatives from the 28 EU Member States. The members are organised by national delegations, reflecting the overall political, geographical and local/regional balance of each Member State in the EU.

The CoR also has an important role as a forum for communicating and exchanging good practices thanks to its platforms and networks.

Its President is Michel Lebrun (BE/EPP), who replaced Ramón Luis Valcárcel Siso as of 1 July 2014 following the latter’s election as an MEP. Jiří Buriánek has been appointed the new Secretary General of the Committee of the Regions, and will take up his position later in the year. Daniel Janssens has been Secretary General ad interim since 1 April 2014.

20 YEARS OF GROWTH: TIMELINE OF THE CoR

1992-2000 The consultative phase

Although its first plenary session took place in 1994, the Committee of the Regions was officially established in 1992 under the Maastricht Treaty and its foundations can be traced back many years earlier to a proposal by the European Parliamentary Assembly (forerunner of the European Parliament) in 1960 to set up a consultative committee on regional economies.

It was not until the 1986 Single European Act, however, that the idea of an advisory body composed of representatives of regional and local authorities really began to take shape. The Single European Act recognised the important role of regional development in achieving a fully functioning single market, underlining the strong link between economic and social cohesion.

In June 1988, the European Commission set up the Consultative Council of Regional and Local Authorities, thereby inaugurating the method of consultation with intermediary levels of government.

In 1991 the EU’s heads of state and government (the European Council of Maastricht) agreed to form the Committee of the Regions, a body with a dual role: helping shape European legislation and acting as a direct link between Brussels and the citizens of Europe.

2001-2005 The CoR consolidates

During its second phase the CoR sought to strengthen the participation of local and regional authorities in the European decision-making process. It was actively involved in the work of the Convention on the Future of Europe (2001-2004) which recognised the CoR’s key role in representing the regions and also monitoring and implementing the subsidiarity principle.
No longer was the CoR restricted to pronouncing on Commission initiatives after the event, but it was able to intervene at the start of the process and assess the territorial impact of proposed measures and highlight possible options.

The CoR also undertook initiatives designed to organise structured dialogue with all local and regional authorities and their associations. Such events included conferences, seminars and exhibitions bringing together dozens of regional and local partners, and in 2003 it launched the first OPEN DAYS, European Week of Regions and Cities, now an essential gathering in Brussels for local and regional stakeholders co-organised with DG Regional and Urban Policy.

Over this period, its stronger political role in the legislative process and its proactive approach to communication enabled the CoR to act as a catalyst for the regional and local presence in the European legislature.

2006 TO PRESENT
The CoR as a political assembly

During this third phase of its history, the CoR became the guarantor of the involvement of territorial actors in the European decision-making process.

Since 2006, the CoR has put a series of networks in place to develop and structure networking between regional and local actors, and to enhance the work of its commissions by supplying additional information and data. There are currently five networks in place: The Europe 2020 Monitoring Platform; the Subsidiarity Monitoring Network; the platform of European Groupings of Territorial Cooperation; ‘ATLAS’, the portal of EU local and regional authorities in development-cooperation; the Euro-Mediterranean Regional and Local Assembly (ARLEM); and the Conference of the Regional and Local Authorities for the Eastern Partnership (CORLEAP).

These networks allow the regions and cities to bring their specific problems and expectations to the attention of the European Commission. They also enable the CoR to provide the consulting institutions with useful information to help them better assess the impact of proposed legislation.

The coming into force of the Lisbon Treaty in December 2009 extended the scope of topics and made binding the direct consultation of regions and cities by the Commission in a large number of policy areas, before legislation is adopted.

Closer future cooperation

In 2014 the CoR signed, together with the European Economic and Social Committee (EESC), a cooperation agreement with the European Parliament in order to strengthen its role in the legislative process. Within this framework, the CoR will systematically provide the Parliament with impact assessments on European legislation. This new procedure is an opportunity for CoR rapporteurs to have a stronger influence on the outcome of meetings of the Council, the Commission and the Parliament in policy areas where they have expertise.

‘Europeans want Europe to be more in step with their daily lives and call for their local and regional elected representatives to defend their interests at European level and be even more closely involved in the European decision-making process.’

MAREK WOZNIAK (pl/epp) – CHAIRMAN OF THE COTER COMMISSION
Cohesion policy is at the heart of concern for local and regional authorities throughout Europe. The CoR has therefore made its voice heard on the future of post-2013 cohesion policy in a series of opinions adopted over the past four years, such as outlook opinions requested by the Commission, an opinion on the Fifth cohesion report, opinions on the regulations of each of the structural funds and finally a resolution on the package as a whole. With the close contacts that the CoR’s rapporteurs have maintained with the European Parliament and Council negotiating teams, the CoR has been able to significantly contribute to the debate on the future cohesion policy and to ensure that the interests of European local and regional authorities are genuinely taken into account. As a result, a number of the CoR’s key policy recommendations have been taken on board by the two co-legislators in the final version of the legislative package.

Positive input

▶ Greater flexibility in thematic concentration and increased use of financial instruments
The CoR requested higher flexibility in thematic concentration of the various funds on Europe 2020 priorities compared to the Commission’s initial request. This request was shared by the European Parliament and the Council which pushed it forward. The possibilities for using financial instruments have been extended to all thematic priorities and all funds, which should open up new possibilities for public-private partnerships in financing EU projects.

▶ Strengthened territorial and urban dimensions
With the support of the CoR, the integrated territorial dimension of cohesion policy has been considerably strengthened.

Some important new tools have been introduced, such as the extension of community-led local development (CLLD) to all funds, integrated territorial investments (ITI), joint action plans, territorial pacts (for the ESF) and multi-fund operational programmes.

▶ A new category of ‘transition regions’
As requested by the CoR, a new category of ‘transition regions’ has been created, which will allow EU support to be adjusted in line with different levels of development.

▶ Partnership and multilevel governance enshrined as key principles
Not only has the principle of multilevel governance been explicitly enshrined for the first time in the Common Provisions Regulation (CPR) alongside the partnership principle, but the CoR support was decisive in convincing the European Parliament and the Council that local and regional authorities should play a pre-eminent role on partnership, unlike in the 2007-2013 period, where they were on an equal footing with the social partners and NGOs.

Measures opposed

▶ Performance reserve
The CoR and European Parliament opposed the introduction of a performance reserve but agreed to a framework to measure performance in the absorption of EU funds. The CoR feared in particular that a reserve of this kind could actively encourage regions to adopt a low level of ambition when setting their milestones in order to get rewarded when achieving them.

▶ Macroeconomic conditionality
For reasons of investment fairness and efficiency, the CoR has been constantly opposed to the suspension or cancellation of commitments and payments in the event of non-compliance by a national government with the Commission’s macroeconomic recommendations. The final outcome of the negotiations allows for the possibility of amending partnership agreements and operational programmes based on macroeconomic recommendations in the first strand (as agreed by the CoR), but in the second strand it does introduce the possibility of suspending commitments and payments in the event of non-compliance by Member States with the EU’s macroeconomic recommendations, contrary to the CoR’s position.
In Your Own Words is the section of Panorama where stakeholders at local, regional, national and European level give their views on the reformed cohesion policy, the European Structural & Investment (ESI) Funds and European regional policy in action. 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.

**MINISTRY OF REGIONAL DEVELOPMENT, CZECH REPUBLIC**

**THE CZECH PARTNERSHIP AGREEMENT: A WELL-FOUNDED STRATEGY FOR THE YEARS TO COME**

During 2007-2013, cohesion policy contributed to the creation of 82,000 new jobs and 200 innovative firms in the Czech Republic. The new period of 2014-2020 means yet another chance to make use of EU funds, which involves many opportunities but also challenges concerning effectiveness, efficiency and transparency. During the preparations, we applied our experience, both good and bad, gained over the last ten years, and modified the implementation rules accordingly. In cooperation with a wide range of partners we have prepared a well-founded strategy for the years to come.

The result is the Partnership Agreement, which sets out the funding priorities towards the development of a knowledge-based economy, support of research, development, education, infrastructure and sustainable environment. I do believe that the thorough preparation will lead to smooth implementation and ease the differences in socio-economic development not just within the Czech Republic, but in the EU as a whole, thus increasing its competitiveness and enhancing the single market. If we all manage to achieve good results, this policy has a great future.

**DANIEL BRAUN** – First Deputy Minister, National Coordination Authority

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**BRUSSELS CAPITAL REGION, BELGIUM**

**THE FOCUS ON URBAN DEVELOPMENT IS A CHANCE FOR BRUSSELS**

Located at the centre of the EU, the Brussels-Capital region participates fully in achieving the aims of cohesion policy. As part of the Belgian federal state, the region has helped shape the policy for the 2014-2020 period by highlighting the vital role that Europe’s cities play in generating employment and growth. Cities act as catalysts for both opportunities and challenges and have a higher concentration of both, making them ideal testing grounds for the success of cohesion policy.

Brussels is delighted both at the shift in policy towards urban affairs and at the fact that regional socioeconomic factors such as unemployment and education will now be taken into consideration, as opposed to the sole criterion of regional GDP, by nature a narrow measurement. The Brussels region is rich in wealth production (GDP) but poor in terms of its population (income) and will now be able to almost double its commitment to tackling the challenges posed by the city’s economic, social and environmental polarisation. In doing so, it will engage in achieving the objectives of the Europe 2020 strategy in the region for the benefit of its residents and business communities.

**VALENTIN GRAAS** – Attaché, Brussels-Capital Region
GLOBAL FUND FOR CITIES DEVELOPMENT (FMDV)
SIMPLIFIED, EFFICIENT FUNDING PROCESSES
NECESSARY FOR SUCCESS OF COHESION POLICY

FMDV (Global Fund for Cities Development) is an international network of cities that specialises in providing funding solutions for both urban development and local economic development.

While the 2014-2020 programme contains many positive changes, a large number of local authorities will still find it hard to implement at an operational level, as they often have difficulty preparing and submitting projects (for example sourcing the appropriate technical skills in-house or securing the necessary joint funding). This means that the objective of combating regional and infra-regional inequalities can only be achieved if the following actions are implemented:

- creating better links and coordination between funds at the different geographical authority levels;
- simplifying processes, in tandem with a programme to increase capacity in the management of EU funds;
- developing an efficient, sustainable process of obtaining funding from mixed sources: public sector (EU, national and local), the general public and private sector.

In order to make the most of European funding schemes and to foster best practice that can be shared, it is also essential to form networks and exchange experiences. These are the fundamental aims of the programme REsolutions to Fund Cities coordinated by FMDV both worldwide and within Europe.

JEAN-FRANÇOIS HABEAU – Deputy Executive Director, FMDV

EUROCITIES
NEW ESI FUNDS STRENGTHEN THE ROLE OF CITIES

The new rules on regional investments for 2014-2020 recognise the need to invest in urban Europe and involve cities in programming. The binding rules on Partnership Agreements support the involvement of cities in programming and delivery of the Funds. This recognises the need to have cities, the main drivers of economic growth and job creation, at the table when decisions about investing European funds are made. City leaders know what investments are needed on the ground. Member states that fail to tap that knowledge would be shooting themselves in the foot.

A minimum of 5% of European Regional Development Fund (ERDF) funding must be allocated for integrated sustainable urban development. Clearly, this requirement doesn’t match the challenges faced by cities but it’s a minimum that will demonstrate the value of integrated, place-based action. New tools also promote the combined use of the European Social Fund and the ERDF, in principle helping to join up urban regeneration and labour market measures. The new programme for innovative actions in urban areas has EUR 330 million to deploy over seven years. Although modest, it is symbolic of the Commission’s ambition to help cities find new solutions to complex urban challenges.

VANDA KNOWLES – Policy Director
PODKARPACKIE VOIVODSHIP, POLAND

A CHANGE OF APPROACH TO COHESION POLICY

I welcome the opportunity to capitalise further on the Podkarpackie region’s economic and social potential using EU funds. As a result of the reforms to cohesion policy, investment projects should have a greater impact on the development of the regions and cities concerned. This will be an extremely good thing, bearing in mind the problems being faced by the EU today. Efforts to support an innovative and competitive economy and achieve a fair distribution of growth across all regions are allowing us to be effective in reducing the economic and social disparities, which are so widespread.

Based on our experience, we are confident that the programmes being run under cohesion policy have contributed to the development of the Podkarpackie province thanks, among other things, to the effective and well-thought-out process for their implementation, which lays particular emphasis on specialising in specific economic areas. We hope that money from the new cohesion policy will be directed mainly at creating new jobs by supporting SMEs in particular, and that this will lead to innovative and competitive growth in Europe. In addition, strengthening research and emphasising technological development by investing in education coupled with innovative enterprise should lead to a reduction in unemployment, social exclusion and poverty.

WŁADYSŁAW ORTYL – Marshall

BALTIC SEA REGION PROGRAMME

NEW BALTIC SEA REGION PROGRAMME READY TO TAKE OFF

The Baltic Sea Region has a unique tradition of regional cooperation on various levels and topics. In 2009 the macro-regional EU Strategy for the Baltic Sea Region was adopted to further strengthen cooperation on common priorities. This is a great starting-point for the region’s transnational cooperation programme for the period 2014-2020. But at the same time it meant an intensive effort during programming to moderate between various objectives, interests and expectations, without losing thematic concentration – a key principle of cohesion policy in the 2014-2020 period.

In more than two years representatives of the eleven participating EU and non-EU-countries reached common agreements on the scope of the future programme, which will be submitted to the EU Commission very soon. Now we are looking forward to many new and interesting projects which will help to improve the Baltic Sea Region’s institutional capacities to boost innovation, to preserve its natural resources and to improve its accessibility. The EU Strategy will also receive specific support for initiating new projects and coordinating efforts. To get the new programme up-and-running by the end of 2014 many more practical arrangements will have to be developed and agreed – always along the ‘fine line’ between simplifying procedures for applicants and projects and at the same time assuring the programme’s financial accountability.

RONALD LIESKE – Team Leader, Programme Management and Communication Unit

IN YOUR OWN WORDS

BALTIC SEA REGION PROGRAMME

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PODKARPACKIE VOIVODSHIP, POLAND

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Based on our experience, we are confident that the programmes being run under cohesion policy have contributed to the development of the Podkarpackie province thanks, among other things, to the effective and well-thought-out process for their implementation, which lays particular emphasis on specialising in specific economic areas. We hope that money from the new cohesion policy will be directed mainly at creating new jobs by supporting SMEs in particular, and that this will lead to innovative and competitive growth in Europe. In addition, strengthening research and emphasising technological development by investing in education coupled with innovative enterprise should lead to a reduction in unemployment, social exclusion and poverty.

WŁADYSŁAW ORTYL – Marshall

IN YOUR OWN WORDS
**REFERENCE FRAMEWORK FOR EUROPEAN SUSTAINABLE CITIES (RFSC)**

**TACKLING THE CHALLENGES OF URBAN DEVELOPMENT**

Integrated sustainable development is a key aspect of cohesion policy for the new programming period. It aims to strengthen economic, social and territorial cohesion by reducing disparities in the EU. European cities play a vital role in this context, because they are the centre of economic activity, innovation and employment. They also face a number of challenges: unemployment and poverty, ageing population, migration, environmental, climate and energy issues, transportation and congestion, etc. Tackling these challenges requires integrated solutions that balance the economic, social and environmental aspects and that are tailored to local needs.

The RFSC offers practical support to all European local authorities in designing and improving integrated urban solutions. Currently used by almost one hundred cities in Europe, it was developed as a joint initiative of the Member States, the European Commission and the Council of European Municipalities and Regions (CEMR), in order to give a common space and language to the community of cities that are interested in learning from each other, while respecting the diversity of local priorities.

ANGELIKA POTH-MÖGELE – Director of Policy, CEMR – Member of RFSC Management Team

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**REGIONAL COUNCIL OF THE MORAVIA-SILESIA COHESION REGION, CZECH REPUBLIC**

**HOPES AND EXPECTATIONS GUIDE THE PREPARATIONS IN MORAVIA-SILESIA**

The emphasis of EU cohesion policy on investments in cities gives the Ostrava agglomeration, a unique location in the Czech Republic due to its industrial history and high population concentration in large cities, a chance to use EUR 430 million of funding. The preparation of Ostrava’s Integrated Territorial Investment planning is well supported by the hopes and expectations of local partners. The investment plan puts an emphasis on three key elements: good jobs, education, and a friendly environment.

The desire to push things ahead is also proverbial for a project called 20|20 Moravia-Silesia. We have asked twenty (so far) local personalities of various professions and fields of interest to share their unspoken ideas and courageous thoughts to inspire people working on regional development and to form the future together. Even different opinions could lead to one common goal. Join us on [www.smartregion.eu](http://www.smartregion.eu) and take a piece of enthusiasm.

MICHAL SOBEK – Spokesperson, Moravia-Silesia Regional Council

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**MAKE YOUR VOICE HEARD**

regio-panorama@ec.europa.eu
IMPROVING GOOD GOVERNANCE IN THE EUROPEAN STRUCTURAL AND INVESTMENT FUNDS

For the 2014-2020 programming period for European Structural and Investment (ESI) Funds, the fight against fraud and corruption will be high on the Commission’s agenda. Amongst other measures, new guidelines and tools have been developed by the Commission aimed at strengthening the ability of Member States to counter fraud and corruption in the European Structural and Investment Funds.

During the 2014-2020 period the EU will invest EUR 351.8 billion through cohesion policy funding. It is crucial to make sure these resources are spent properly and achieve the greatest possible impact. The new programming period provides a good opportunity to step up action in the fight against fraud and corruption and the Commission is taking a very pro-active position.

‘The way forward is to adopt a zero tolerance attitude to fraud and corruption in the European Structural and Investment Funds. Setting the right tone from the top is key,’ stresses Walter Deffaa, Director General for Regional and Urban Policy.

‘Existing risks and ways of addressing them should be analysed right from the start of the programming process. It is clear that fighting fraud and corruption requires a joint effort from all partners. We are all in this together and have a common responsibility towards our citizens.’

Not business as usual

The financial impact of fraud and corruption was not considered to be high in the Structural Funds. The 2012 report by OLAF, the European Anti-Fraud Office, indicates that approximately 0.42% of Structural Funds at that time were affected by fraud. Notwithstanding this, and taking into account also potential reputational risks, for the ESI Funds it will not be ‘business as usual’ in the new programming period because ‘safe spending’ is essential. The new Common Provisions Regulation provides a stronger legal basis for fighting fraud and this represents an opportunity. There is for the first time the explicit requirement to put in place risk-based, effective and proportionate fraud prevention measures, and their implementation will be closely measured.

The aim is now to anchor the fight against corruption and fraud in the texts of the Partnership Agreements between the Member States and the Commission. The next step will be to translate this commitment into concrete measures in the relevant Operational Programmes.

New guidance and tools

As part of the Commission’s support actions, a guidance document has been produced which lays out a step-by-step approach to assessing the risk of fraud and choosing appropriate mitigating measures. In addition, technical assistance measures are available to Member States to finance
measures aimed at increasing capacity for fighting fraud and corruption. There are also good practice examples available in Member States and it is important to share them.

A new software tool ARACHNE (see box) has been developed to assist managing authorities in identifying the most risky projects and facilitate their monitoring. This is, for instance, particularly useful for operations involving public procurement and subcontracting, an area of high concern for the ESI Funds.

**Importance of transparency**

The new regulations for ESI Funds highlight the importance of strengthening the accessibility and transparency of information about funding opportunities and project beneficiaries. The adoption of new Public Procurement Directives is also expected to bring more transparency to this complex and risky area.

Civil society plays an important role in anti-fraud and anti-corruption efforts. Citizens and NGOs can help by monitoring the use of funds, exposing cases of corruption or fraud, and putting pressure on the administrations. Moreover, civil society organisations can also be a great source of intelligence, raising awareness of possible solutions and good practice examples.

**Fraud and corruption prevention events**

As part of the preparations for the new programming period, awareness raising events have been organised in Belgium, Bulgaria, Croatia, Czech Republic, Italy, Romania and Slovakia to showcase the tools and instruments available to counter fraud and corruption in the ESI Funds.

**ARACHNE TOOL FOR FRAUD PREVENTION**

The Commission has developed for Member States a specific risk scoring tool, ARACHNE, which helps to identify, prevent and detect risky operations, projects, beneficiaries and contracts/contractors. It will serve as a useful preventive instrument. The system highlights a set of risk indicators and alerts which are specific to the nature of Operational Programme expenditures. In view of the limited resources and multiplicity of operations, key actors and systems, it focuses on the most risky projects and on selected key internal data from the project. It seeks to identify possible irregular circumstances continuously on the basis of predefined risk criteria.

These events were organised in cooperation by the Commission Directorate Generals for Regional & Urban Policy, Employment, Social Affairs & Inclusion, and Internal Market & Services, along with OLAF and Transparency International. The seminars brought together representatives from managing authorities, audit authorities, and specialised anti-corruption authorities from Member States, plus representatives from NGOs.

The sessions permitted discussion of fraud and corruption issues, and measures and good practice examples that can be taken to mitigate the risks and help build administrative capacity to effectively manage the Funds.

> FIND OUT MORE
http://ec.europa.eu/regional_policy/conferences/anti_corruption/index_en.cfm

“We should all adopt a zero tolerance policy to safeguard future investments from possible misuse. But most of all this is also about getting the most from our investments so that citizens themselves can feel the benefits in terms of new jobs, greater prosperity and an improved quality of life.”

JOHANNES HAHN – EUROPEAN COMMISSIONER FOR REGIONAL POLICY
A space science centre in Slovenia supported by the European Regional Development Fund is leading the way in using satellite data for earth monitoring.

SPACE-SI, the Slovenian Centre of Excellence for Space Sciences and Technologies, was established in 2010 by a consortium of academic institutions, high-tech SMEs and large industrial and insurance companies. It set out to benefit from the recent developments in the use of small satellite technologies and applications for Earth observation, meteorology and astrophysics. The Centre’s research and development activities are focused on high-resolution interactive remote sensing and formation flying missions. This is made possible by the development of micro and nano satellite platforms, an advanced ground control infrastructure as well as satellite integration and testing facilities.

Cost-effective remote sensing

These advanced remote sensing technologies will permit more frequent and cost-effective remote sensing applications in a wide range of areas including ecology, agriculture, forestry, land cover mapping, urbanism and maritime, as well as for monitoring climate change, the use of natural resources and disasters. SPACE-SI has developed a high precision interactive remote sensing satellite designed to acquire multispectral images and real time high-definition video. The satellite which is capable of providing high resolution imagery from an altitude of 600 km, carries two optical instruments – a narrow-field instrument as well as a wide-field instrument which are both capable of recording high-definition video at 1920 by 1080 pixels.

To control and communicate with a wide range of satellites SPACE-SI has set up a ground control station with satellite autotracking capabilities in Slovenia where a 1.8 metre antenna operates as a UHF transmit and S-band receive terminal while a 5.2 metre antenna is dedicated to downloading large amounts of satellite data in S and X bands.

Remote sensing applications

SPACE-SI has developed a complete and fully automatic processing chain from raw satellite data to web-delivered map-ready images. For the efficient utilisation of geo-located data, a crowd-sourced dissemination platform ‘Geopedia’ has been developed and thousands of data sets with several million data entries have been collected over the past few years.

Real-life testing

SPACE-SI has tested these systems in several real-life situations including advanced visualisation of real-time high-resolution forecasts of weather and pollution dispersion, rapid estimation of damages caused by floods, detection of invasive plants, illegal dump site cleaning as well as several other research and educational initiatives which raised public awareness about the ecological and socio-economic benefits that can be achieved in the region by the new micro and nano satellite technologies.

Total cost:
EUR 9 996 000
EU contribution:
EUR 8 471 000

FIND OUT MORE
www.space.si/en/
The ambitious objective of the South East Transport Axis (SETA) project is to provide faster and more competitive railway connections for both passengers and freight from Central Europe to the Northern Adriatic ports and further on to the Western Balkans.

This it plans to do by organisational improvements, more efficient use of existing rail infrastructure and small scale investments, rather than major expenditure. To achieve this, the SETA partnership comprises a wide range of regional and national authorities, representing a multi-sectoral consortium which can utilise the regions’ existing expertise and skills in a complimentary way. With a common vision and strategy, 11 partners from six countries between Vienna/Bratislava and the Northern Adriatic ports of Rijeka, Koper and Monfalcone are being supported by the ERDF through the South East Europe Transnational Cooperation Programme.

Slower than road

Current transport services along the SETA corridor cannot compete with trips using private cars. With travel times of more than six hours for example between Zagreb and Vienna the existing railway connections are more than two hours slower than on the same trip on the road. Improving the quality of rail services in the region is necessary to provide an attractive alternative for commuters and tourists, as well as for businesses that currently depend on their private cars or trucks. Through the project the main organisational and infrastructural bottlenecks along the existing railway corridor connecting Vienna/Bratislava via Western Hungary with the Northern Adriatic ports have been identified and work has started on the development of appropriate solutions.

First milestones – demonstration trains

In order to highlight the effectiveness of the developed solutions, routes have been tested with demonstration trains – and in September 2012 a SETA train travelled from Zagreb to Vienna in five hours! The saving of one hour was achieved by overcoming the identified organisational bottlenecks. A passenger demonstration train also ran from Monfalcone to Rijeka in May 2013 and cut the normal travel time by almost two hours. In parallel to these demonstration trains, SETA experts have started to develop appropriate solutions to overcome the infrastructural bottlenecks.

Small-scale investment for big results

The SETA project has highlighted that improvements are possible without spending large sums of money. By implementing organisational measures and selected small scale investments in the existing infrastructure it is possible not only to provide people living in the regions along the SETA corridor with better transport services but also to improve the quality of the location for businesses.

Total cost: EUR 2 835 000
EU contribution: EUR 2 410 000

FIND OUT MORE
www.seta-project.eu
Aviation alerts

The system will monitor the region between Malta and Sicily and issue alerts regarding volcanic emissions which are dangerous to aviation in this area. The results will also be of direct use to the local communities in the Central Mediterranean region, as the silicate particles and gases released during volcanic eruptions also damage crops and roads.

The project partners are the Istituto Nazionale di Geofisica, Osservatorio Etneo, led by the Istituto Nazionale di Astrofisica, Comune of Montedoro and the Physics Department of the University of Malta. New instruments have been installed both in Sicily and at the University of Malta’s observatory facilities on the islands of Malta and Gozo. These gather important data on explosive activity and on volcanic particles, which will be able to forecast the location and height of volcanic ash clouds.

Key to the project is the acquisition of real time data that can detect dangerous concentrations of volcanic ash in the skies between Sicily and Malta. The sensing system uses a laser to measure distances by analysing reflected light and is able to precisely estimate the column height and produce a map of volcanic plumes. This permits speedy laboratory analysis of the data collected and daily forecasting of the deposit and plume dispersal. Every day an automatic system downloads weather forecasts from meteorological mesoscale models, plots hazard maps of volcanic ash dispersal and deposition for certain scenarios and publishes the results on the project’s website. Warning messages will be issued during the main eruptive events.

▶ FIND OUT MORE
www.ct.ingv.it/vamosseguro

An automatic system is being developed for monitoring and forecasting volcanic ash dispersal between Sicily and Malta in the event of an eruption of one of the most active volcanoes in the world, Mount Etna, in Italy.

Ash ejected during volcanic eruptions can have serious consequences for aviation and the surrounding environment. It can cause damage to aircraft control surfaces, failure of critical navigational and operation instrumentations and possibly engine failure.

Over the past two decades Mount Etna, on the Italian Island of Sicily, has become increasingly active. It is currently Europe’s – and indeed one of the world’s – most active volcanoes. During its frequent explosive episodes its volcanic ash plumes can fall on the Maltese islands, 100 km south of Sicily. To reduce the impact of an Etna eruption on the area, a cross-border project between Italy and Malta has led to the installation of an automatic detection system on the islands of Sicily and Malta.

The project VAMOS SEGURO (Volcanic Ash Monitoring and FOREcast between Sicilia and Malta area and sharing of the results for aviation safety), which has been launched with the financial support of the European Regional Development Fund, will permit a rapid response during Etna-related volcanic emergencies and drastically reduce the risk from volcanic ash in the Mediterranean.
A computer system to improve healthcare services for patients with diabetes has been developed by a private Hungarian computer services company with the financial support of the ERDF.

Stratis Management and IT Consulting Services Ltd., founded in 1998 and based in Central Transdanubia, has developed an innovative computer-based decision-support system called DIALOGIC for private health care institutions in Hungary. DIALOGIC has been designed to enhance the efficiency of diabetes treatment (and other diseases in future) through better electronic management of capacity and appointment reservation management while providing a broad range of other medical services for patients with diabetes. The design and development of the decision-support system which is based on mathematical modelling involved more than 24 participants including researchers and developers at the University of Óbuda.

Eliminating bottlenecks

The current healthcare system in Hungary does not provide flexible appointment reservation services. Equipment capacity represents another bottleneck and the current system does not permit data to be saved in real-time. The new system not only manages the patient appointments but can also handle the entire procedure six months ahead. It schedules appointments according to patient preferences, saves appointments in the calendar and sends out SMS or email notifications. In the event that a doctor is not available for an appointment, DIALOGIC would inform the healthcare service provider and the system will either direct the patient to another hospital, suggest another appointment or submit a request for a doctor from another hospital.

Self-testing of blood sugar levels

The integrated IT system planned in the framework of the project will offer an opportunity to remotely monitor blood sugar levels. Patients will be able to measure their own levels and electronically send in the results. They will therefore not need to require an appointment for every blood sugar measurement.

Patients will receive regular notifications about the measured levels. In the event the patient does not send any results, the system will ask about the patient’s condition. The application will take into account the specifics of each healthcare system (from data storage practices to data safety requirements) through decision support, appointment reservation and capacity management modules. Patients are expected to experience a significant improvement in the predictability of health care services and waiting time in hospitals will decrease as healthcare institutions can now distribute their resources in a more balanced way.

HUNGARY

INNOVATION IMPROVES DIABETES HEALTHCARE

Total cost: EUR 1 791 000
EU contribution: EUR 1 523 000

FIND OUT MORE
www.stratis.hu/eindex.php
THIRD EDITION OF EUROPEAN COOPERATION DAY: BE PART OF IT!

Last year, the European Cooperation Day campaign reached out to thousands of Europeans who participated in one of the 176 local events taking place in 32 countries. With such a success, the campaign will be repeated this year. Coordinated by the INTERACT programme and supported by the European Commission, the European Parliament and the Committee of the Regions, all cooperation programmes are invited to participate in celebrating people working together across borders.

Through the local events, programmes will showcase the best project results of the current programming period in a fun and accessible way that allows citizens to engage in territorial cooperation.

This year we can expect European film festivals, different contests, music performances, and much more! The main day of the campaign will be 21 September 2014, but events will also take place throughout the whole month of September. Be part of the European Cooperation Day and follow the campaign on Facebook, Twitter or the dedicated campaign website.

PRESENTING THE COMIC BOOK ‘PARTNERS’

The Directorate-General for Regional and Urban Policy has just published a brand new comic book called ‘Partners’ which aims at presenting regional and urban policy through six stories designed to appeal to a young audience. The themes covered include research & innovation, urban development, environment, support to SMEs, social inclusion, ICT, cooperation between regions, transport, and solidarity between regions in case of natural disasters. These slices of life and stories of men and women were inspired by real EU-funded projects that illustrate the European Union’s contribution to reducing differences in standards of living and supporting the regions in their development.

The comic is available in FR, EN and NL and can be ordered via the EU Bookshop: http://bookshop.europa.eu/en/partners-pbKN0414052/

FIND OUT MORE
NEW MANAGEMENT FOR 
ESI FUNDS IN FRANCE

A new body came into being in France on 2 April 2014 with overall responsibility for regional development policy.

The Commissariat général à l’égalité des territoires (the General Commission for Regional Equality – CGET) reports directly to the Prime Minister and is charged with devising and implementing a national policy for regional equality and ensuring that it is followed up and coordinated at an inter-ministerial level. More specifically, it provides advice and support to Government on policies for overcoming regional inequalities and developing regional capabilities.

CGET acts as a partner in putting together local social and economic development projects, through various types of contract, particularly planning contracts between the State and regions and urban contracts. Acting together with local elected leaders and local authorities, it inspires, guides and supports the national Government’s administrative resources, professional networks, association leaders, institutional partners and local networks (rural, urban, coastal networks, mountain-areas, etc). It partners local players in helping their projects to succeed (building on experience, regional planning, training, helping to secure European funding etc).

For the 2014-2020 period, CGET will be coordinating the implementation of European Structural and Investment Funds in France and will be responsible for monitoring the Partnership Agreement. CGET will also be responsible for managing two European programmes, Europ’Act and Urbact. In addition, its observation, monitoring, assessment, foresight and evaluation functions have been enhanced to benefit Government and all the other stakeholders, and it will develop international cooperation.

CGET was created from the merger of three agencies: the Délégation interministérielle à l’aménagement du territoire et à l’attractivité régionale (Inter-ministerial Delegation for Local Planning and Regional Competitiveness – DATAR), the Secrétariat général du comité interministériel des villes (General Secretariat for Urban and Social Development – SGCIV) and the Agence pour la cohésion sociale et l’égalité des chances (National Agency for Social Cohesion and Equal Opportunities – Acse).
The third Forum of the Outermost Regions will be held in Brussels on 30 September and 1 October 2014.

Following in the footsteps of the forums of 2010 and 2012, this year’s gathering will bring together hundreds of participants, including experts and representatives from the outermost regions and the countries concerned, as well as from the EU institutions, interest groups and stakeholders. The challenge, in the context of the reformed Cohesion Policy 2014-2020 and the finalisation of Partnership Agreements, is to ensure the strategy is geared towards the specific needs of the outermost regions: to allow them also to play their part in meeting EU objectives and continuing on the path to sustainable development.

Business partners from across the EU will be invited to offer the outermost regions a platform for showcasing their unique selling points on the basis of the strategic axes developed in their action plans.

The event will open with keynote speeches from José Manuel Barroso, President of the European Commission, Johannes Hahn, EU Commissioner for Regional Policy and Victorin Lurel, Region of Guadeloupe, Chair of the Conference of Presidents of the Outermost Regions.

The panellists will address and debate key issues such as employment, societal challenges, and sectors with high potential for the development of the outermost regions and their regional integration, with a view to making the best use of the resources available to them and maximising the outputs.

THE URBAN DIMENSION OF EU POLICIES ONLINE CONSULTATION LAUNCHED

In February the European Commission organised a major forum, ‘CITIES – Cities of Tomorrow: Investing in Europe’, to stimulate debate on how we can strengthen the urban dimension of EU policymaking.

Now an online public consultation aims to widen the debate to all stakeholders by further clarifying the need for an EU urban agenda, what its objectives should be and how it could function. The opinions and suggestions from stakeholders at all levels will form important input for the new Commission and the new European Parliament, not least in relation to the future development of the Europe 2020 strategy.

This consultation will be open from 22 July until 26 September 2014.
EU SOLIDARITY FUND REFORM

DISASTER RELIEF TO BE STREAMLINED

For a decade the EU has been a major source of support during natural disasters occurring across the European continent ranging from floods to earthquakes and forest fires. In 2013 the Commission proposed streamlining the main support mechanism – the European Union Solidarity Fund – making it more responsive and simpler to use. In May this year, the European Parliament gave the reform plans the green light.

Since its creation in 2002, the European Union Solidarity Fund (EUSF) has responded to some 56 disasters across Europe. These have included earthquakes, forest fires, drought, storms and floods. Twenty three countries have been assisted receiving disaster relief funds of more than EUR 3.6 billion. The EUSF is currently implementing plans to help Croatia and Serbia recover from the extreme flooding in the Balkans while other EU support tools help Bosnia-Herzegovina.

KEY CHANGES TO EUSF

A key change in the EUSF process will allow payment of up to 10% of the anticipated grant to be made in advance (with a maximum pay out of EUR 30 million). This in itself will offer a fast helping hand to disaster-stricken Member States that have applied for EU assistance.

The proposed legislation simplifies the existing rules so that aid can be paid out more rapidly, merging two stages of the approval and implementation agreement into one decision. The scope of the Solidarity Fund has also been clarified, limiting it to natural disasters and extending it to drought.

Also clarified is eligibility, particularly for regional disasters, with 1.5% of regional GDP being set as a threshold for the activation of the Fund. This ceiling has been lowered to 1% for the EU’s Outermost Regions.

Damage suffered by private individuals, businesses and in agriculture or losses of income cannot be covered by the Fund. An extension of the implementation period from 12 to 18 months will allow beneficiary countries to have more time to carry out recovery operations.

Member States are required to implement legislation on disaster risk prevention. Repeated infringements of relevant EU law could lead of a rejection of an application for EUSF aid.
Advance payments

In a disaster situation, getting relief to where it is needed in the shortest amount of time is vital. Streamlining the EUSF application process will improve the effectiveness of the relief funding.

A series of reforms have now been agreed (see box) and should result in significant improvements in the working of the Fund, ensuring that aid is given where it is most needed, and alleviating the strain on regions. Significantly up to 10% of the funds can be paid in advance.

Explained Commissioner for Regional Policy Johannes Hahn: ‘It is vital for the European Union to have a system in place that works well and responds quickly to help citizens affected by natural disasters.

‘We have established new, clear and simple criteria so that disaster-stricken countries will no longer be in doubt as to the conditions that must be met to activate the Fund. Making applications and assessing them will be simpler and thus save valuable time and resources.

‘Provisions have been included for longer lasting disasters such as drought, and the specific vulnerability of the outermost regions has also been taken into account. We have also streamlined the administrative procedures which will help us to react more rapidly.’

The overall principles of the Fund, however, are unchanged as is the way it is financed, outside the normal EU budget. The EUSF has a maximum annual budget of EUR 500 million (in 2011 prices), plus any remainder from the preceding year.

Good track record

In general, the Solidarity Fund has been working successfully as the number of projects supported shows. But it was widely felt that the Fund was clearly too slow to react and, in some respects, unnecessarily complicated or not fully clear with regard to its criteria. In some cases this has led to frustration both on the part of the Commission as well as the affected countries.

The rules governing the reformed EUSF will enter into force once published in the official Journal of the European Union, expected in June 2014.
EU SOLIDARITY FUND AT WORK

The EUSF was created in the wake of the severe floods in Central Europe in the summer of 2002. In principle, assistance from the Fund is limited to the financing of emergency operations carried out by public authorities following a natural disaster. Damage suffered by private individuals or losses of income cannot be covered by the Fund.

▶ EARTHQUAKE IN ITALY

The Commission accorded a record sum of EUR 670 million from the EUSF to Italy for recovery operations in the wake of the devastating earthquakes in Emilia-Romagna in 2012. The severe earthquakes hit the region with a force of 5.9 on the Richter scale on 20 May 2012, followed by hundreds of aftershocks spreading out into the neighbouring regions of Veneto and Lombardy.

The earthquakes caused 27 deaths, an estimated 350 people were injured and more than 45,000 people had to be evacuated. Serious and widespread damage amounting to over EUR 13 billion was caused to buildings, infrastructure, businesses, industrial facilities, agriculture and to the important cultural heritage sector.

This was the largest amount of aid granted by the Fund since it was created in 2002, reflecting the scale of damage that was inflicted by the earthquakes here on thousands of families, on their homes, their livelihoods and on the region’s economy as a whole.

▶ FLOODING IN CROATIA AND SERBIA

In the wake of the recent flooding disaster in the Balkans, Croatia and Serbia are eligible for Solidarity Fund assistance and are currently preparing their applications.

Serbia is currently negotiating its EU membership and is entitled to the same level of assistance from the EU as if it were a full member of the Union. Bosnia-Herzegovina, which is not as advanced on its way towards EU membership as Serbia, will be included within the broader framework of EU aid. Serbia may also be eligible for money from other sources, including the Instrument for Pre-Accession Assistance (IPA), the fund for countries preparing to join the EU.

Solidarity Fund assistance is raised over and above the normal EU budget. Aid proposed by the Commission has to be approved by the European Parliament and the Council before it can be paid out, probably in the autumn. Money from IPA funds will arrive much faster.

▶ Devastation following the Emilia-Romagna earthquake in 2012.

▶ The level of the Sava River caused the worst flooding on record across the Balkans – Sremska Mitrovica, Serbia – May 2014.

▶ EARTHQUAKE IN ITALY
The volume of funds provided by the EU Solidarity Fund has of course been very important and very welcome,' commented Luigi d’Angelo from the Italian Civil Protection Department. ‘But more than this there has been a considerable added value in terms of the spread of knowledge among the local people and awareness of the EU. The involvement of the EU Solidarity Fund has had an impact, long after the emergency was over.’

‘The reforms to the Solidarity Fund go a long way to removing some of the past difficulties in administering the Fund. The greater clarity about the parameters and eligibility criteria is important as it will avoid the risk of spending precious time preparing dossiers that will be ultimately unsuccessful. The setting of 1.5% of regional GDP as the threshold for the activation of the Fund is a positive move and may indeed result in some more dossiers being accepted.’

In August 2005, heavy flooding occurred in parts of two Austrian Länder, Vorarlberg and Tyrol. The flooding caused severe damage to the agricultural sector, to tourism, residential properties and businesses, to the transport network and other infrastructure.

The total direct damage was estimated at EUR 591.94 million. Since the figure was lower than the threshold for mobilising the Solidarity Fund for major disasters (0.6% of Austria’s GNI, i.e. EUR 1.3363 billion), the application was approved under exceptional criteria for so-called extraordinary regional disasters and financial aid amounting to EUR 14.79 million was accorded.

The aid was used for:
- the immediate restoration to working order of infrastructure, in particular in restoration of state roads. Total EUSF contribution: EUR 9.86 million;
- the immediate securing of preventive infrastructures, in particular of restoration of damaged embankments of water courses, including the removal of trees and rubble, damming, stabilisation and restoration of river beds. Total EUSF contribution: EUR 4.93 million.

‘The support from the Solidarity Fund provided a valuable contribution to the public expenditures for the restoration of public infrastructure, especially through the interventions after regional disasters which affected local and regional administrations severely,’ commented Mag. Siegfried Jachs from the Ministry for Interior, Civil Protection and Crisis Management in Vienna.

‘The advance payments will help to speed up the procedures and make the Fund more visible. Further amendments to the regulation will help to make the application of the Fund more flexible and transparent.’

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### EU SOLIDARITY FUND INTERVENTIONS SINCE 2002

**GRAND TOTAL OF AID APPROVED:**
**€ 3.6 BILLION**

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FLOODING AND STORMS IN GERMANY

In 2002 Germany suffered EUR 9 billion in damage from flooding and received EUR 444 million in aid from the Solidarity Fund. In 2007, Germany the ‘Kyrill’ storm caused EUR 4.8 billion in damage; Germany received a further EUR 167 million in aid from the Fund.

From mid-May until the end of June 2013, large areas of Germany again experienced extremely intense rainfall, which resulted in widespread flooding causing severe damages. More than 100,000 people were evacuated from flood-affected areas in Germany with a total of almost 600,000 people affected by the disaster. The estimated total direct damage of around EUR 8.1 billion was well above the threshold to qualify for Solidarity Fund support. The Commission allocated EUR 360 million for Germany, set against the EUR 3.2 billion of total cost of eligible operations.

‘Knowing that the EU will help to bear the costs of the rescue operations allows us to focus attention on helping citizens immediately after the disaster has struck,’ said Dr. Nadine Kalwey, spokesperson of the Federal Ministry of Finance.

‘The new reform simplifies the whole process from the application to the disbursement of financial assistance. This will greatly reduce administrative burden. The reform also clarifies under which conditions a member state is entitled to receive financial assistance from the EU, making it more predictable whether a country can expect to receive financial aid. This facilitates our budgetary planning.

‘The Solidarity Fund is an important tool for the Union to support Member states that have suffered from a natural disaster. Being able to show solidarity in times when citizens are affected by such disasters matters not only in financial terms but also signals the added value of being a member of the European Union.’

<table>
<thead>
<tr>
<th>Country</th>
<th>DAMAGE (mill. €)</th>
<th>AID (mill. €)</th>
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<tr>
<td>LATVIA</td>
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<td>SPAIN</td>
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<td>UNITED KINGDOM</td>
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<td>Floods</td>
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</tr>
</tbody>
</table>

▶ Flooded park and historical buildings in Besigheim, Germany, June 2013. Due to heavy rain the flood reached a peak more than 5 metres above normal river levels.

▶ Flooded park and historical buildings in Besigheim, Germany, June 2013. Due to heavy rain the flood reached a peak more than 5 metres above normal river levels.

▶ Flooded park and historical buildings in Besigheim, Germany, June 2013. Due to heavy rain the flood reached a peak more than 5 metres above normal river levels.
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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